NEW BRUNSWICK
NOUVEAU-BRUNSWICK

Department of Agriculture
Ministère de l'agriculture

Proceedings
Potato Growers' Conference
and Trade Show

Grand Falls, NB
February 15-16, 1989

Seminar Coordinator: R.P. Hinds

Program Coordinators: G. Pelletier
R.P. Hinds

Theme: Commitment - Securing our Future

Sponsored by:

* Potato Centre, NBDA, Wicklow
* NB Seed Potato Growers Association
* Potato Industry Coordinating Committee
* NB Dept. of Advanced Education and Training, Woodstock Community College
* CAN/NB AFA-HRISS initiative
* NB Potato Agency

Hon. A. Graham, Minister R. Saintonge, Deputy Minister

Foreword

Dubos (Science Vol. 193 pp 459-462, 1976) perceived the earth as neither an ecosystem to be preserved unchanged nor as a quarry to be exploited for selfish and short-range economic reasons, but as a garden to be cultivated for the development of the human adventure. This indeed is the underpinning of our agricultural system and it mandates us to be future looking towards a system of sustainable agriculture. As population, dietary standards and consumer advocacy on pollution and pesticides in food increase, the pressure on agriculture will likewise increase. This situation forces agriculture in the position of not only responding to society's needs but also of determining its own future destiny. The pressure on agriculture is further compounded by urban growth, which places agriculture in a squeeze that jeopardizes the land base and places financial and mental stresses upon the basic producers.

The 1989 Potato Conference and Trade Show held on February 15-16, 1989 at Grand Falls sought to address motivational, financial as well as technical issues related to potato production in a theme entitled, "Commitment - Securing Our Future". Industry, marketing, technical, motivational and financial expertise were assembled to deliver the message. The Trade Show Exhibitors must again be complimented for their outstanding support to the NB Potato Industry.

On behalf of all organizations, speakers and individuals who assisted in making this year's Conference a success, we extend our sincere appreciation.

P.S. JONES
Head, Potato Centre

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Conference Program

1989 POTATO GROWER'S CONFERENCE AND TRADE SHOW

THEME

Commitment - Securing our Future
(Simultaneous translation provided).
9:00 - 9:45 a.m.
Daily Registration - $5.00 per person
9:45 - 10:00 a.m.
Welcome for Potato Growers and Spouses
Lionel Arseneault, Regional Director, Grand Falls

OPENING

Hon. Alan Graham, Minister of Agriculture

SPONSORS

- Potato Centre, Wicklow, NBDA
- NB Seed Growers' Association
- Potato Industry Coordinating Committee
- Trade Show Exhibitors
- NB Potato Agency

Trade Show Exhibitors are Listed on Back Cover

Coffe and Door Prizes
Compliments of Trade Show Exhibitors

Motel Reservations

Près du Lac Motel (Best Western), Grand Falls
(506) 473-1300 or 1-800-528-1234

PROGRAM OUTLINE

Wednesday, February 15, 1989
Près du Lac Motel, Grand Falls, N.B.

Session I - Strategies for Success in Business and Life

CHAIRPERSON: Robert Saintonge, Deputy Minister, NBDA

10:00 Opening Address
Hon. Alan Graham, Minister of Agriculture, NBDA

10:30 Program Yourself for Success
Alan Simmons, Consultant
Peterborough, Ontario

12:00 LUNCH BREAK and Trade Show Exhibits

SESSION II - Marketing in the Future

CHAIRPERSON: Ivan Trafford, Chairman NB Potato Agency, Florenceville, NB

1:30 Opportunities Under Free Trade for NB Producers and Consumers
Harry Quinlan, Coordinator, Trade Policy - Commerce and Technology, NB

2:15 Market Oriented Quality Improvement Program,
Lisa Robichaud, Program Coordinator Quality Improvement Program, NBDA

2:45 COFFEE BREAK

3:15 Recent Developments in the Quebec Potato Industry,
Jacques Michaud, Chairman, Pomexpan, Longueuil, Quebec

3:45 Consumer Trends
Dr. Jean Claude Dufour, Professor of Marketing, Université Laval, Quebec

4:15 Trade Show Exhibits

1989
Potato Growers' Conference
Dinner

Wednesday, February 15, 1989
Advanced Registration for Dinner

MASTER OF CEREMONIES: Dr. C. Smith

PLACE: Près du Lac Motel
Trans Canada Highway,
Grand Falls

TIME: 6:30 - 7:30 pm - Cocktails
(Cash Bar)
7:30 - 10:00 pm - Supper

COST: $15.00 per person

GUEST SPEAKER: Mr. Tim Sample,
Humorist, Bath
Maine, USA

(Advanced Registration for Dinner - Please complete and return the enclosed form before Feb. 10, 1989. Tickets will be held in your name until the conference.)

Thursday, February 16, 1989

Session I - Securing Your Financial Future

CHAIRPERSON: George Maicher,
Supervisor, Farm
Management, NBDA

9:30 Farming the Cycles - Surviving the Ups and Downs in the Marketplace.
Don Rogers, Vice-President, Farm Credit Banks, Springfield, Mass, USA

10:20 Handling Your Credit Applications
Dave Carlisle, Milk Producer, Mouth of Keswick, NB

10:50 COFFEE BREAK

11:15 Coping with Stress in the Workplace
Dr. Reno Desjardin, St. Laurent, Quebec

12:00 LUNCH BREAK and Trade Show Exhibits

Session II - Present/Future Production Issues

CHAIRPERSON: Dr. C. Smith, Director,
Agricultural Resource
Development Branch,
NBDA

1:30 Alcohol Production As An Alternative Use for Cull Potatoes and Grain
Mike Bryan, Alchem Ltd., Grafton, ND, USA

2:15 Implications of Seed Physiology for Quality Russet Production,
Dr. Robert Thornton, Washington, USA
Part I - Environmental, Storage and Physiological Factors

3:00 COFFEE BREAK and Trade Show Exhibits

3:15 Implications of Seed Physiology for Quality Russet Production,
Dr. Robert Thornton, Washington State University, Washington, USA
Part II - Handling and Physical Factors

4:00 Improving the Proportion of Marketable Potatoes out of Storage
Dr. G. Misener, Agriculture Canada. Fredericton, N.B.

4:30 Closing Remarks
Clair Hill, NB Seed Growers Association

1989
CONFEÉRENCE DES PRODUCTEURS DE POMMES DE TERRE

THÈME

Assurons notre avenir
(Service de traduction simultanée).
9 h - 9 h 45
Inscription pour la journée - 5 $ par personne
9 h 45 - 10 h
Mots de bienvenue aux producteurs de pommes de terre et à leur conjoint
Lionel Arseneault, directeur régional, Grand-Sault

OUVERTURE

L'hon. Alan Graham, ministre de l'agriculture

PARRAINÉS PAR

- Centre de la pomme de terre, Wicklow, Agriculture N.-B.
- Association des producteurs de pommes de terre de semence du Nouveau-Brunswick
- Comité de coordination de l'industrie de la pomme de terre
- Agence de la Pomme de Terre du N.-B.

EXPOSANTS

Vous trouverez la liste des exposants au plat verso
Le café et les prix de présence sont une gracieuseté des exposants

RÉSERVATION

Motel Près du Lac (Best Western), Grand-Sault
(506) 473-1300 ou 1-800-528-1234

Le mercredi 15 février 1989
Motel Près du Lac, Grand-Sault, N.-B.

Séance I - Des stratégies pour connaître du succès en affaire et dans la vie

PRÉSIDENT: Robert Saintonge, sous-ministre, ministère de l'Agriculture du N.-B.

10 h Discours d'ouverture prononcé par **l'hon. Alan Graham,** ministre de l'Agriculture du Nouveau-Brunswick

10 h Le succès vous attend?
Alan Simmons, expert-conseil de Peterborough, Ontario

12 h REPAS ET EXPOSITION

SÉANCE II - Le marketing dans l'avenir

PRÉSIDENT: Ivan Trafford, Président, Agence de la Pomme de Terre, Florenceville, N-B

13 h 30 Les perspectives d'avenir pour les producteurs de pommes de terre et les consommateurs du Nouveau-Brunswick dans le cadre du libre-échange,
Harry Quinlan, coordonnateur, Politique commerciale - ministère du Commerce et de la Technologie du Nouveau-Brunswick

14 h 15 Programme d'amélioration de la qualité axé sur le marché
Lisa Robichaud, Coordinatrice

14 h 45 PAUSE CAFÉ

15 h 15 Des réalisations récentes dans l'industrie de la pomme de terre du Québec
Jacques Michaud, Président, Pomexpan, Québec

15 h 45 Les tendances des consommateurs
Dr. Jean Claude Dufour, Professeur de marketing, Université Laval, Quebec

16 h 15 Exposition

Conférence des Producteurs de Pommes de terre
Souper

Le mercredi 15 février 1989
Pré-inscription

MAÎTRE DE CÉRÉMONIE: Dr. C. Smith

ENDROIT: Motel Près du Lac
Autoroute transcanadienne,
Grand-Sault

HEURE: 18 h 30 - 19 h 30 - Cocktails
(Bar payant)
19 h 30 - 20 h 00 - Souper

COÛT: 15 $ par personne

CONFÉRENCIER: Mr. Tim Sample,
humoriste de Bath, Maine, États-Unis

(Formulaire d'inscription pour le dîner - S.V.P. Remplir le formulaire inclus et l'envoyer avec votre chèque avant le 10 février 1989. Les billets seront retenus en votre nom et vous seront distribués sur demande lors de la conférence.)

Le jeudi 16 février 1989

Séance I - Assurons notre avenir financier

PRÉSIDENT: George Maicher, surveillant de la gestion agricole, ministère de l'Agriculture du Nouveau-Brunswick

9 h 30 L'agriculture: Survive aux fluctuations du marché
Don R. Rogers, vice-président, Farm Credit Banks, Springfield, Mass, États-Unis

10 h 20 Comment faire une demande de crédit
Dave Carlisle, producteur laitier de Mouth of Keswick, Nouveau-Brunswick

10 h 50 PAUSE CAFÉ

11 h 15 Comment faire face au stress en milieu de travail
Dr. Reno Desjardin, St. Laurent, Québec

12 h REPAS ET EXPOSITION

Séance II - Production d'aujourd'hui et de demain

PRÉSIDENT: Dr. C. Smith, directeur du Développement des ressources agricoles du ministère de l'Agriculture du Nouveau-Brunswick

13 h 30 La production d'alcool: solution de rechange pour utiliser les pommes de
terre et les grains non sélectionnés.
Mike Bryan, Alchem Ltd.,
Grafton, ND, États-Unis

14 h 15 Les conséquences de la physiologie des semences en ce qui concerne la production des pommes de terre Russet de qualité
Dr. Robert Thornton, Washington, États-Unis
Partie I - L'environnement

15 h PAUSE CAFÉ ET EXPOSITION

15 h 15 Les conséquences de la physiologie des semences en ce qui concerne la production des pommes de terre Russet de qualité
Dr. Robert Thornton, Washington State University, Washington, États-Unis
Partie II - L'entreposage et la manutention

16 h L'importance d'avoir un produit de qualité provenant de l'entrepôt
Dr. G. Misener, Agriculture Canada Fredericton, N.-B.

16 h 30 Mot de la fin
Clair Hill, Association des producteurs
de pommes de terre de semence du Nouveau-Brunswick

Opening Remarks

Remarks by the Honorable Alan Graham

Minister of Agriculture
To the
NB Potato Conference and Trade Show

I am pleased to have the opportunity this morning to participate in your 1989 Potato Growers' Conference and Trade Show. I want to congratulate the organizers of this Conference for I can see from the line-up of resource people that you have worked hard and performed an excellent service.

I also want to single out the Trade Show exhibitors this morning as well. They have put a lot of money and effort into attending these events and help provide the funds that make them possible. Too often we don't given them the recognition they deserve for their efforts and I want to give them my thanks for their involvement with our industry.

You are probably becoming tired of hearing me tell you that we need quality throughout the potato industry. I hope that is the case for I sincerely want to get that message across. We need quality production whether it is for seed, tablestock or processing and we need quality marketing. Anything less will certainly not help this industry grow.

I strongly believe we will never have a surplus of quality and I also know that quality sells. We are proving that with the quality improvement program being carried out by the Department in cooperation with you. The retail inspections of tablestock potatoes in stores is also proving that. Consumers are saying they see the improvements and we are gaining back some of the market we lost right here in our own province with your efforts.

I am pleased to see you have devoted a portion of your program to this along with sessions on how we can best get quality from our crop in the future. I urge every grower to listen well to these sessions and learn from them.

As you know, off-shore markets are essential to us. We need to move part of our crop to those markets and improve the economic picture for those we have left.

It is not easy to regain lost markets but I believe we must keep trying and toward that end, I will be visiting Cuba soon to discuss how we can serve them to a greater extent than we do today. That is not the only market where I see a potential. There are other South American countries that could be potential customers.

Late last year, legislation was passed permitting the formation of a New Brunswick Potato Council. That legislation became effective on February 1 and since that time, representatives of the various organizations named to the Council have been working to put in place the operational aspects of it. A chairman will soon be named for this organization and I believe that by working together, all of the various players in the potato industry will make a valuable contribution toward its future.

You have a busy agenda before you today and I wish you well. I hope you take the information you gain here and put it to practical use. That will be the key to success for this event.

The program arranged for you for the next two days is certainly an ambitious one. It covers not only production and marketing issues but the "human" side of farming as well. I know that is an important aspect today for we are living in an ever changing and more complex world than we had only a few years ago.

The topic you will hear next is "Program Yourself For Success" with Alan Simmons. You will find this talk informative and useful because for too long we have not been thinking success in our potato industry but merely survival.

The section on Marketing In The Future should provide you with information that can be used to prepare the plans for the next few years. Free Trade with Harry Quinlan of the Department of Commerce and Technology, Lisa Robichaud on our market Oriented Quality Improvement Program, which I believe is helping improve our image, Jacques Michaud who will bring you up-to-date on what Québec is doing in potatoes and Dr. Jean Claude Dufour of Laval University on consumer trends, are all current issues on which you need to be aware.

Tomorrow, your speakers will deal with securing your financial future, Don Rogers of the Farm Credit Banks in the U.S.A. will discuss how to cope with the up and down cycles in the marketplace. Dave Carlisle, a milk producer will talk about handling credit applications and Dr. Reno Desjardin of St. laurent, Québec will discuss the importance of coping with stress in your work environment.

During the afternoon session, production related topics will include alcohol production from cull potatoes with Mike Bryan of North Dakota. I might add here that a study is now in progress in our Province on this very topic. An outlet for a major quantity of ethanol might be available soon and the use of cull potatoes could be a solution for that.

Dr. Robert Thornton of Washington is certainly a well recognized expert in the field of potato seed and the factors that affect it. I urge you to listen to this carefully for we want to keep the reputation of our seed industry at the highest level possible.

Part of the problem with potato production in our Province in the past has been the high percentage of waste. Dr. Jerry Misener of Agriculture Canada in Fredericton will discuss ways to improve the proportion of marketable potatoes taken from storage and I know you will be interested in that.

This is an ambitious program. It is one with a lot of content that should be of use to producers and shippers alike. I urge you to listen well and ask questions.

Again, I congratulate the organizers of this program and wish you well as you prepare for the spring planting season ahead.

Allocution de Monsieur Alan Graham
à L'occasion de L'ouverture
de La Conférence des Producteurs
de Pommes de Terre

Je suis heureux d'avoir l'occasion, ce matin, de participer à votre conférence et exposition commerciale des producteurs de pommes de terre 1989. Je désire féliciter les organisateurs de la conférence, car je peux remarquer, en examinant la liste des personnes-ressources, que vous avez travaillé fort et réalisé un excellent travail.

Je désire également souligner la présence des exposants à l'exposition commerciale. Il ont dépensé beaucoup d'argent et déployé d'énormes efforts pour participer à ces manifestations et pour aider à fournir les fonds qui les ont rendu possibles. Trop souvent, nous ne leur accordons pas la reconnaissance qu'ils méritent pour leurs efforts et je veux les remercier de leur rôle dans notre industrie.

Vous êtes probablement fatigués de m'entendre vous dire qu'il est essentiel d'assurer la qualité dans toute l'industrie de la pomme de terre. J'espère que c'est le cas, car je veux absolument faire passer ce message. Nous avons besoin d'une production de qualité, que ce soit en semence, en consommation ou en transformation, et nous devons améliorer la commercialisation. C'est le moins qu'on puisse faire pour assurer le développement de l'industrie.

Je crois fermement que nous n'aurons jamais un excédent de qualité et, par ailleurs, je sais qu'elle représente une excellente méthode de vente, comme nous le prouvons par le programme d'amélioration de la qualité, mis en oeuvre conjointement par le ministère et vous-même. Les inspections chez le détaillant des pommes de terre de consommation prouvent également ce fait. Les consommateurs disent voir les améliorations et, grâce à nos efforts, nous regagnons dans notre propre province certains des marchés que nous avions perdus.

Je suis heureux de voir qu'une partie de votre programme porte sur le sujet ainsi que sur la meilleure façon d'obtenir une récolte de qualité à l'avenir. Je recommande fortement à chaque producteur d'écouter attentivement les présentations faites aux séances et d'en retirer quelque chose.

Comme vous le savez, les marchés étrangers nous sont essentiels. Nous devons déplacer vers ceux-ci une partie de nos récoltes et améliorer l'image économique qu'ont de nous les marchés qui nous restent.

Il n'est pas facile de regagner les marchés que nous avons perdus, mais je crois que nous devons continuer d'essayer et, à cette fin, je me rendrai bientôt à Cuba en vue de discuter de la façon dont nous pouvons améliorer les services que nous leur offrons aujourd'hui. Ce n'est toutefois pas le seul marché où je vois un potential. En effet, d'autres pays sud-américains représentent des clients éventuels pour nous.

Vers la fin de l'année dernière, une loi créant le conseil de la pomme de terre du Nouveau-Brunswick a été adoptée. Elle est entrée en vigueur le 1er février et, depuis, des représentants de diverses organisations nommées au conseil ont travaillé à en établir les principes opérationnels. Un président sera bientôt nommé et je suis convaincu qu'en travaillant ensemble, tous ceux qui ont un rôle à jouer dans l'industrie de la pomme de terre apporteront une contribution précieuse à son avenir.

Vous avez un ordre du jour chargé devant vous aujourd'hui et je vous souhaite bon succès. J'ose espérer que les renseignements que vous recueillerez ici seront mis en pratique. C'est la clé du succès de cette conférence.

Le programme prévu pour vous pendant les deux prochains jours est certainement des plus complets. Il porte non seulement sur la production et la commercialisation, mais aussi sur le côté "humain" de l'exploitation agricole. Je sais qu'il s'agit d'un aspect important de nos jours, car nous vivons dans un monde en constante évolution et beaucoup plus complexe qu'il y a seulement quelques années.

Le prochain sujet, abordé par Alan Simmons, traitera du succès. Vous trouverez son exposé informatif et utile parce que, depuis trop longtemps, notre industrie de la pomme de terre visait à survivre et non à réussir.

La présentation sur le marketing dans l'avenir devrait vous fournir des renseignements utiles pour la planification des quelques prochaines années. Vous devriez tous être sensibilisés aux sujets d'actualité présentés par les conférenciers: le libre-échange, par Harry Quinlan du ministère du Commerce et de la Technologie; notre programme d'amélioration de la qualité axé sur le marché, qui aide à améliorer notre image, par Lisa Robichaud; une mise à jour sur ce qui se passe au Québec dans le secteur de la pomme de terre, par Jacques Michaud, et les tendances des consommateurs par Jean-Claude Dufour de l'Université Laval.

Demain, les conférenciers traiterons du thème "Assurons notre avenir financier". Don Rogers, de Farm Credit Banks, aux États-Unis, examinera la manière de faire face aux fluctuations du marché. Dave Carlisle, producteur laitier, expliquera comment faire une demande de crédit, et le docteur Reno Desjardin, de Saint-Laurent, au Québec, abordera la question du stress en milieu de travail.

Les questions qui seront traitées pendant les séances de l'après-midi se rapportent à la production. Mike Bryan, de North Dakota, traitera de la production d'alcool à partir de pommes de terre non sélectionnées. Je pourrais ajouter qu,une étude portant sur la question est en cours au Nouveau-Brunswick. Il pourrait y avoir bientôt des débouchés pour une quantité importante d'éthanol, et les pommes de terre non sélectionnées pourraient constituer la solution.

Robert Thornton, de Washington, est certainement un éminent spécialiste de la question de la pomme de terre de semence et des facteurs qui s'y rattachent. Je vous encourage fortement à écouter son exposé d'une manière attentive, car nous voulons que notre industrie de la pomme de terre de semence jouisse de la meilleure réputation possible.

Dans le passé, le problème de la production de la pomme de terre au Nouveau-Brunswick était en partie attribuable au taux élevé de gaspillage. Jerry Misener, d'Agriculture Canada à Fredericton, parlera des moyens d'augmenter sur le marché la quantité de pommes de terre provenant des entrepôts. Je suis certain que ce sujet vous intéresse beaucoup.

Le programme de cette rencontre est ambitieux. Les nombreuses questions abordées devraient s'avérer utiles tant aux producteurs qu'aux expéditeurs. Je vous conseille vivement d'être attentifs et de poser des questions.

Je félicite encore une fois les organisateurs de ce programme et vous exprime mes meilleurs vieux à l'occasion des préparatifs en vue des semailles au printemps.

Motivational Issues

A L A N S I M M O N S

Associates

PROGRAM YOURSELF FOR SUCCESS - Excerpts

Alan Simmons
Peterborough, Ontario

PROGRAM YOURSELF FOR SUCCESS is a participatory workshop designed specifically for THE POTATO GROWERS' CONFERENCE. A couple of ideas to help you get the most out of the time.

1) Keep an open mind. The ideas have been tested in the market place and will work for anyone who decides to use them anu then does just that: USES THEM!

2) Take lots of notes. We forget 65% of what we hear.

3) Participate actively in discussions and question/answer sessions.

4) Share your knowledge. Others can learn from you and you can learn from everyone in the room if you're open to it.

5) Do NOT read ahead in the workbook. Penalties are imposed swiftly for participants who are caught turning pages before instructed to do so. Keep an eye on your neighbor too. Rewards are offered for the reporting of offenders.

6) Enjoy!

Alan [redacted]

CONTRACT

Between _____ and _____
herein after referred to as the parties of the 1st and 2nd part.

The party of the 1st part hereby agrees to enthusiastically accept the CHALLENGE to spend this day:

1. THINKING about the thoughts, concepts and ideas expressed.
2. PARTICIPATING in the program when appropriate and comfortable to do so.
3. APPRECIATE the party of the 2nd part and others in this program for their participation and contributions.
4. Share INSIGHT with the group that will be of value to others.
5. Keep an OPEN MIND in order to learn!

Signed at _____ this _____ day of _____ 19

My signature hereunder acknowledges my committment to myself.

_____ _____

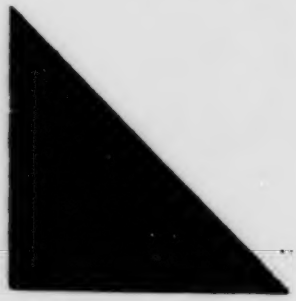
WITNESS

(705) 743-8167 • Box 894 Peterborough Ontario Canada K9J 7A2

Exercise. Five figures are shown below. Select the one that is different from all of the others.

a)

b)



c)

d)

e)

MISSION STATEMENT

Before we can achieve any objective, we need to know what it is. The single biggest cause of failure to meet goals is the failure to actually set them in the first place.

The process begins with a general statement of "MISSION" and proceeds through objective setting and action plans. For the next 2 minutes close your eyes, relax, let your mind get free of all interference, and begin to visualize what your real role is in your career and your life.

Now complete the following statement:-

My mission is To make a small contribution to the survival of the potato industry and to make life more meaningful for myself and less difficult for my fellow producer.

Signature _____ Date _____

This statement of mission or purpose will form the basis of all your activities. It can make the decision-making process easier and will focus your thoughts and actions toward personal and professional growth.

Review the statement every morning for the next 21 days, and you will gradually notice changes taking place in the way you view various events and circumstances.

GOAL SETTING

There are seven major areas of life in which we need to set goals. As you go through them make notes of things which occur to you that you want to translate into specific, measurable objectives.

1) Career goals.

2) Financial goals.

3) Physical goals.

4) Mental goals.

5) Family goals.

6) Social goals.

7) Spiritual goals.

8) Adventure goals.

Make a few notes about what your immediate priorities are. Remember these are not cast in stone. You are simply beginning the process and changes can always be made.

Alan Stevens Associates

TEN STEPS TO CONSISTENT POSITIVE MOTIVATION

A misunderstood principle of motivation is that it is internally <u>not</u> externally generated. Nobody on the face of this planet can motivate you. Only <u>you</u> can motivate you! Once the responsibility for motivation is accepted the rest is simply the implementation of steps which are appropriate to you. The following are simply a guide. They will work for anyone who decides to work them.

1) Decide on goals.

2) Acknowledge areas of improvements.

3) Demand the best of yourself, the government, etc.

4) Develop an immunity to negatives.

5) Cut loose the negative people.

6) Surround yourself with positive folks that really love life.

7) Practice positive affirmations.

8) Use other people's experience.

9) Laugh.

10) Give and receive love.

The rate of progress will be up to you. Be gentle with yourself.

PROGRAM YOURSELF FOR SUCCESS

SOME FINAL THOUGHTS, IDEAS AND ACTIONS

1. I am responsible for me.

2. I look for opportunities.

3. I look for solutions.

4. I make a difference.

NETWORKING

1. Exchange business cards with everyone you meet.
2. Maintain regular contact via telephone or short notes.
3. Send articles and newspaper clippings of interest to those in your network.
4. Practice your listening skills every time someone talks to you.
5. Keep a journal of all the people you meet each day, recording notes and ideas about how you may be able to assist them.
6. Attend professional conferences and seminars.
7. Always look for ways to improve your people skills.
8. Get involved with Community Cable Television as a volunteer interviewer on subjects of interest to you.
9. Write a newspaper column and provide it to your local paper free of charge in return for a credit line at the bottom of the column and your photo at the top.
10. Present a professional and confident image.
11. Be interesting and interested.
12. Make yourself visible and leave a lasting, positive impression.
13. Frequently ask, "How can I help you?"
14. Demonstrate an attitude of commitment.
15. Maximize your strengths and be aware of your weaknesses.
16. Always give without expectation.
17. Be enthusiastic and enjoy yourself...and smile!
18. Share your knowledge.
19. Take the first step, take the initiative...reach out first.
20. Always do what you say you'll do...plus a little bit more.
21. Look for the positives in people and situations...and encourage others to join the team!

The secret of success to 21 Steps To Networking is consistency. A great Network is one you develop over the course of your life and it must be cultivated with friendliness, care and concern for other people.

The best place to begin is with yourself and the only time to begin is NOW!

R I S K

To laugh is to risk appearing the fool
To weep is to risk appearing sentimental
To reach out for another is to risk involvement
To expose feelings is to risk exposing your true self
To place your ideas, your dreams, before the crowd
Is to risk their loss
To love is to risk not being loved in return
To live is to risk dying
To hope is to risk despair
To try is to risk failure

But risks must be taken, because the greatest hazard in life
is to risk nothing.
The person who risks nothing, does nothing, has nothing,
and is nothing.
He may avoid suffering and sorrow,
But he simply cannot learn, feel, change, grow, love, live.
Chained by his certitudes, he is a slave.
He has forfeited his freedom.

Only a person who risks.....is FREE!

Marketing Issues

OPPORTUNITIES UNDER FREE TRADE FOR NB PRODUCERS AND CONSUMERS
HARRY QUINLAN, COORDINATOR
TRADE POLICY, COMMERCE AND TECHNOLOGY

Good afternoon ladies and gentlemen. I am very pleased to have the opportunity of speaking with you today.

I would like to begin by testing your knowledge in the area of trade policy.

Question

What is the significance of the following four dates?

Date	Answer
February 29, 1956	Trade Agreement: Canada and The USSR, further extended by protocol in 1982 and 1986.
November 12, 1982	Agreement on trade, economic and technical cooperation between the Government of Canada and the Republic of Irag (signed in Bagdad).
September 15, 1986	Long term agreement on the development of trade, economic and industrial cooperation between the Government of Canada and the Government of the Czechoslovak Socialist Republic.
1854 to 1866	U.S. and Britain - first full scale BNA - U.S. free trade agreement.

The reason Canada and the U.S. have not had an overall trade agreement since 1866 is that we are both members of the multilateral trading system, the general agreement on tariffs and trade, the GaTT.

In fact, we with some 22 other countries were Gatt founders, approximately 40 years ago.

Recently, you may have read press reports regarding the Montreal mid term ministerial review of the Gatt. A first ever mid term review, negotiations got completely stalled on four areas. However, the real stumbling block has been agriculture. The difficulty there can be summarized in two words:

Elimination
vs
Reduction

Further, two negotiating authorities are at a complete impasse, the

U.S. and the European community.

The problem, the relationship between the public and private sector in agriculture.

Trade distorting subsidies, and the solution to what is an acceptable level of government involvement in agricultural production are difficulties which have plagued agricultural negotiators for the past 40 years. The question of long term goals in agriculture in the western world is presently unanswered.

The contradictory problems of food abundance, ever increasing through technological change, and human starvation are issues which the world trading systems have had a difficult time wrestling with.

International trade, in agriculture occurs in conjunction with other trade in goods and services. Canada and New Brunswick must balance their agricultural interests with all other economic and social issues.

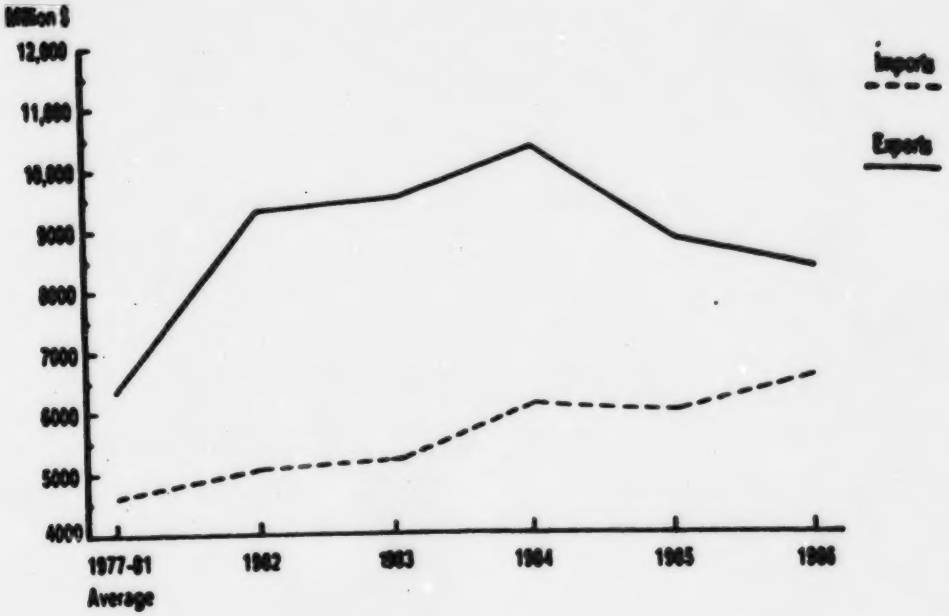
With this as background, the Free Trade Agreement is here. January 1, 1989 it became law in both Canada and the U.S.

December 16, 1987 Premier McKenna announced the support of the government of New Brunswick for the Agreement. There were a number of conditions attached to this support.

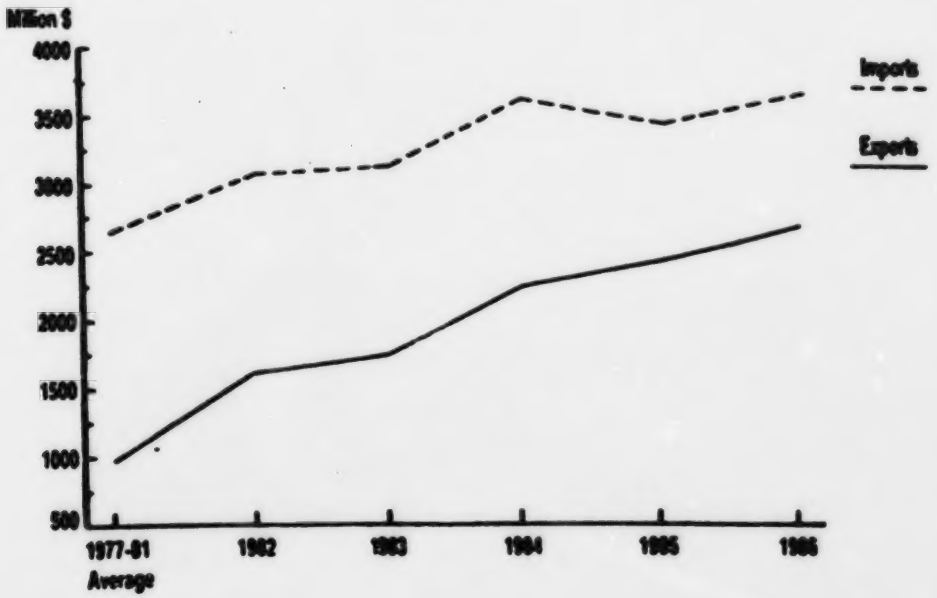
Briefly, the federal government must take necessary adjustment measures, the food processing sector must be protected, regional development efforts must continue and the U.S. must not unilaterally pass laws which eliminate gains made through the Agreement.

About our agricultural trade with the United States.

Total Canadian Agricultural Trade with the World, 1977-1986

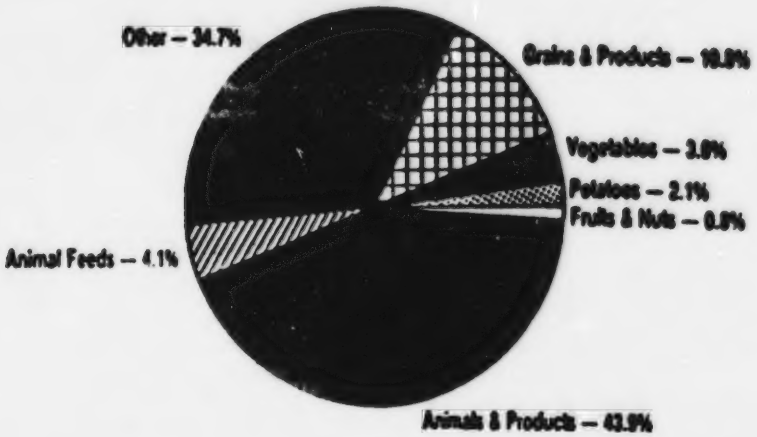


Total Canadian Agricultural Trade with the United States, 1977-1986

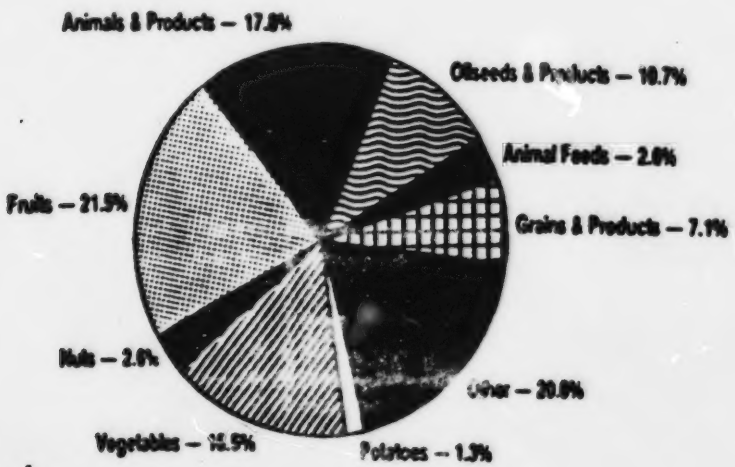


SOURCE: The Canada-U.S. Free Trade Agreement and Agriculture, An Assessment

Canadian Agricultural Exports to the United States, 1988



Canadian Agricultural Imports from the United States, 1988

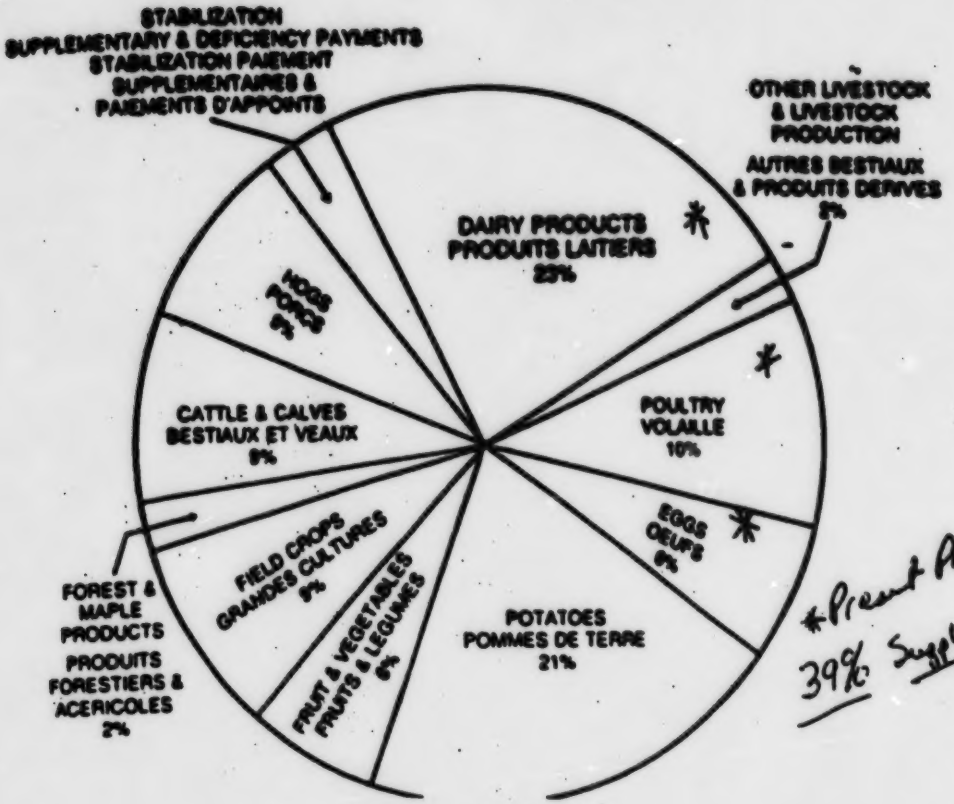


SOURCE: The Canada-U.S. Free Trade Agreement and Agriculture, An Assessment

TRADE DATA
N.B. EXPORTS TO U.S.A.
1986
PERCENTAGE DISTRIBUTION

	%
Beverages	2.4
Vegetables and vegetable preparations	1.0
Fish and fish products	11.2
Lumber	4.8
Woodpulp	16.7
Newsprint	11.9
Electricity	16.2
Refined petroleum products	22.2
Other	13.6
	100.0%

SOURCE DES RECETTES AGRICOLES MONETAIRES.
NOUVEAU-BRUNSWICK
1985



*Present Product
39% Supply Management

NUMBER OF FARMS

	1981	1986	DIFFERENCE
Beef	723	739	+ 16
Pork	117	125	+ 8
Egg/Poultry	102	96	+ 6
Fruit & Vegetable	231	252	+ 21
Potatoes	413	360	- 52
Dairy	733	631	-102
Small Grains	45	62	+ 17
Wheat	8	7	- 1
Tobacco	8	7	- 1
	2380	2279	-101

- Disposition of potatoes, NB 1985: (CWT)

Shipments		Local Use		
Table	Seed	& Seed Processing	Cull	Total
2.3 M	1.2 M	9.2 M	2.3 M	15.4 M

- Potato exports - 1986 - (CWT)

	Table	Seed
U.S.A.	90% of total	41% of total

N.B. AGRICULTURE EXPORTS
1986
COMMODITIES EXPORTED IN EXCESS OF $1 MILLION

	EXPORTS	
	ALL COUNTRIES	U.S. ONLY
Blueberries, fresh	1.3	1.3
Potatoes, seed	7.5	1.3
Potatoes, fresh, nes	14.1	12.4
Potato products, frozen	19.3	1.3
Vegetables, Dried, nes	2.6	1.6
Nursery & greenhouse stock, nes	1.2	1.2
AGRICULTURE TOTAL	$46.0	$19.1
Related Products:		
Peat Moss	18.1	13.0
Nitrogen Phosphate fertilizers, nes	4.9	4.4
Prepared fertilizer mixtures	18.1	6.2
RELATED PRODUCT TOTAL	29.2	23.6

CONTENTS OF THE FREE TRADE AGREEMENT

- Objectives
- Tariffs
- Import & Export Provisions
- Safeguards
- Government Procurement
- Standards
- Agriculture
- Wine & Distilled Spirits
- Energy
- Automotive Trade
- Services
- Investment
- Culture
- Temporary Entry for Business Persons
- The Commission & Dispute Settlement
- Other Provisions

PLEASE NOTE: The following overview notes are not meant to be complete, or legal, but are designed to provide a general understanding of the Free Trade Agreement.

Source: FTA Overview, NB Executive Council Office.

U.S. CANADA FREE TRADE AGREEMENT
ELEMENTS OF THE AGREEMENT

OBJECTIVES

The objectives of this Agreement, as elaborated more specifically in the provisions of this Agreement, are to:

(A) Eliminate barriers to trade in goods and services between the territories of the parties;

(B) Facilitate conditions of fair competition within the free trade area;

(C) Significantly expand liberalization of conditions for investment within the free trade area;

(D) Establish effective procedures for the joint administration of the Agreement and the resolution of disputes;

(E) Lay the foundation for further bilateral and multilateral cooperation to expand and enhance the benefits of the Agreement.

ELIMINATION OF TARIFFS

- All bilateral tariffs on goods meeting rules or origin, will be eliminated within ten years.

- These will be eliminated in three categories:

  I) On date Agreement comes into force - 1 Jan. 1989 (15% of value of dutiable trade)

  II) In five equal annual stages, beginning 1 Jan. 1989 (35% of value)

  III) In ten equal annual stages, beginning 1 Jan. 1989 (50% of value)

- Any product may be accelerated by mutual agreement of either party.

- U.S. countervail duty on shingles to run course (Note: does not involve eastern cedar shingles).

- Agreement does not affect softwood lumber case.

EXAMPLES OF TARIFF ELIMINATION

(I) 1 Jan 1989 — Reduction to Zero

Computers	Yeast
Pork	Animal Feeds
Fish - Unprocessed	Whiskey
Fur & Fur Garments	Leather (Not sole)

(II) 1 Jan. 1989 — Reduction in Five Annual Instalments

Machinery (wide range)	Paper & Paper Products
Meat Products	Printed Matter
Subway Cars	Telecommunications Equipment
Chemicals (Basic & Fine)	Hardwood Plywood
Furniture	Particleboard

(III) 1 Jan. 1989 — Reduction in Ten Annual Instalments

All Horticultural Products	Appliances
Beef	Softwood Plywood
Steel	Rail Cars
Textiles & Clothing	Ships & Ship Repair (Exclude Jones Act)

TARIFFS

		UNITED STATES	CANADA
Potatoes	Table and Seed	$.35/100 lbs	$.35/100 lbs
	Frozen	10.0%	10.0%
Broccoli		12.5%	Free
Brussels Sprouts		25.0%	Free
Cauliflower		12.5%	Free
Corn		25.0%	Free

To Be Eliminated Over 10 Years

- Tariff Structures on Selected Agriculture Conditions: (1987 rates; not harmonized; source-Commerce & Technology).

	U.S.	Canada
Apples	Free	Free
Live Hogs	Free	Free
Live Cattle	$.02/lb	For the improvement of stock free Cows esp. for Dairy free; Animals living (NOP) $.01/lb.
Milk	$.02 per American gal. if less than 1% and not over 5.5%. Butterfat 1.5%/gal. if different from above.	$.03/lb.
Chickens	$.02/lb. live - $.03/lb fresh chilled or frozen. Whole or part. Plucked, beheaded or eviscerated $.05/lb whole	Live - $.02/lb. Eviscerated - 12.5% not less than $.05/lb Not more than 10% Cut up - same as eviscerated Dead poultry - 12.5%
Turkey	$.02/lb live $.08.5/lb - fresh chilled or frozen whole $.05/lb or 12.5% - if over $.40/lb	Live - $.02/lb Eviscerated - same as chickens Cut up - same as chickens
Eggs	$.03.5/doz - free if not a chicken	In shell fresh - $.03.5/doz.

Vegetables Frozen

Fiddleheads		
U.S.	-	10% (10 years)
Canadian	-	15% (10 years)
Peas		
U.S.	-	$.04.4/kg. (10 years)
Canadian	-	15% (10 years)
Broccoli		
U.S.	-	25% (10 years)
Canadian	-	20% (10 years)
Brussels Sprouts		
U.S.	-	12.5% (10 years)
Canadian	-	20% (10 years)
French Fries		
U.S.	-	10% (10 years)
Canadian	-	10% (10 years)
Green Beans		
U.S.	-	7.7%/kg. (10 years)
Canadian	-	15% (10 years)
Corn		
U.S.	-	17.5% (10 years)
Canadian	-	15% (10 years)
Strawberries		
U.S.	-	14% (10 years)
Canadian	-	15% (10 years)
Pies		
U.S.	-	Free
Canadian	-	15.5% (10 years)
Desserts		
U.S.	-	Free
Canadian	-	5% (10 years)

Source: Commerce & Technology

IMPORT AND EXPORT PROVISIONS

- Rules or origin based on harmonized system (previously Canada had its own system as did U.S.A.).

- Sufficient value added is required to qualify under rules or origin (made in Canada, or made in U.S.A.).

- Duty drawback will end in five years;
  Exception: citrus products, third-country fabric.

- Foreign/duty free zones benefits end in five years.

- Existing duty waivers to end in ten years.

- Custom user fees phased out in five years.

- Rules or origin to be met by written declaration by exporter - no border measures.

- No import or export restrictions except in accordance to general agreement of tariffs and trade (GaTT).

- Restrictions must be pro rata with other party.

- Quantitive restrictions (Q.R.) on used cars phased out in five years.

- Quantitive restrictions on log exports remain and Jones Act restrictions remain.

SAFEGUARDS:

(Generally refers to emergency actions in the form of additional duties or import quotas applied to fairly traded imports which nevertheless cause or threaten serious injury to domestic producers).

Two tracks, one to deal with serious injury due to FTA, and one for serious injury as defined by GaTT.

FTA: (Bilateral Track)

- During transition period duties may return once to pre-agreement levels for serious injury, for three years.

- Compensation due to exporting party, or party may take action of equivalent effect.

GATT: (Global Track)

- Parties retain Article 19 rights but exclude other party from Article 19 action, unless imports from that party are substantial (above 10%).

- Party may be included in action if surge follows exemption.

GOVERNMENT PROCUREMENT

- Both Federal governments will eliminate buy national restrictions on procurement of GaTT code covered goods.

- Coverage*.

- Threshold of $25,000 U.S. (contracts with a value under $25,000 U.S. will not be affected by this Agreement).

- Estimated value of new opportunities:

In U.S.A.	-	3 billion U.S. dollars
In Canada	-	1/2 billion U.S. dollars

- parties undertake to further negotiate improvement of code.

- Provincial procurement not included.

* **COVERAGE: For the United States, 11 out of 13 government departments are covered by the GaTT code, with the only exceptions being the Departments of Energy and Transport. A total of 40 governmental agencies and commissions, as well as NASA and the General Services Administration (the common government purchasing agency) are included. Department of Defence purchases are covered within certain defined product categories such as vehicles, engines, industrial equipment and components, computer software and equipment, and commercial supplies.**

For Canada, 22 government departments and 10 agencies are covered. Department of National Defence purchases of certain defined products, mainly non-military, are also covered. The Departments of Transport, Communications, and Fisheries and Oceans are not included.

STANDARDS:

As defined by the MTN Agreement on technical barriers to trade (standards code). A standard is a technical specification contained in a document that lays down characteristics of a product such as levels of quality, performance, safety or dimensions. It may include, or deal exclusively with terminology, symbols, testing and test methods, packaging, marking or labelling requirements as they apply to a product.

- At federal level neither party will use standards as N.T.B.

- Parties agree to harmonize federal standards to greatest extent possible.

- Set up process at federal level for mutual recognition of accrediting testing labs.

- 60 day comment period on proposed regulations.

- Similar provisions apply to state, province and private (but only at best efforts level).

AGRICULTURE:

- All agricultural tariffs eliminated within 10 years.

- Fresh fruit and vegetables: snapback to MFN rates allowed for 20 years contingent upon satisfying criteria regarding price and acreage.

- U.S. exempt Canada for Q.R. for products containing 10% or less of sugar (U.S.A. have quota restrictions on sugar and sugar containing products).

- Canada agrees to end import licences for wheat, barley, oats and products thereof, when support levels are equivalent.

- Oats and barley likely to occur immediately.

- Canada agreed to increase its global import quotas for poultry, eggs and products thereof to the annual average level of actual shipments during the past five years.

- Parties exempt each other form import restrictions under respective meat import laws.

- Parties agree to not employ export subsidies to each other's market.

- Cooperate in reducing technical barriers to trade .

- New quotas on poultry and poultry products:

	NOW	FTA
Chicken	6.3%	7.5%
Turkey	2%	3.5%
Shell Egg	0.675%	1.647%
Processed Egg	0.415%	0.714%
Powdered Egg	0.615%	0.627%

- Poultry products not now under quota can be so placed if imports increase with tariff phase out.

- Dairy quotas will not change.

- Ice cream and yogurt now under quota.

- Canada is not prevented from new supply-management programs if consistent with GaTT.

WINE AND DISTILLED SPIRITS:

- This chapter on Liquor Board practices excludes beer or malt containing beverages.

- National treatment* for listing of products, existing British Columbia estate wineries are grandfathered.

- Pricing differentials of imported versus domestic can only reflect audited difference in cost of service.

- Other price differentials will be phased out immediately for spirits.

- Other price differentials for wines will be phased out 25% in year 1, 25% in year 2, and remainder over 5 years.

- On premise sale of goods still permitted.

- Existing private wine stores in Ontario and British Columbia to be grandfathered.

- Quebec requirement for in-province bottling of products sold in grocery stores will be allowed.

- Federal blending requirements to be dropped.

* (National Treatment: a concept which is recurring in the FTA. This expression refers to extension to imported goods of a treatment no less favourable than that accorded to domestic products with respect to internal taxes, laws, regulations and requirements. GaTT members are obliged to accord to one another "National Treatment" with respect to internal measures than can affect trade).

ENERGY:

There is a broad agreement to assure the freest possible bilateral trade in energy, including non-discriminatory access for the United States to Canadian energy supplies and secure market access for Canadian energy exports to the United States.

- Prohibition of import or export restrictions include quantities, taxes or price.

- Quantity restrictions allowed for short supply or conservation, or national security.

- Quantity restrictions must not discriminate against the other party on price, and provide proportional access.

AUTOMOTIVE TRADE:

- Eliminate tariffs on:

Original equipment	-	10 years
Tires	-	10 years
Aftermarket parts	-	5 years

- Eliminate embargo on used cars - 5 years.

- End duty waivers linked to exports.

- End duty drawbacks and foreign trade zone provisions.

- Canada agrees that no new firms will qualify under provisions similar to auto pact.

- U.S.A. undertakes not to introduce comparable programs to auto pact without consultation.

- Rule of origin for vehicles traded under Free Trade Agreement to have 50% of direct cost of manufacturing.

- Canada and the United States each shall endeavour to administer the auto pact in the best interests of employment and production in both countries.

SERVICES:

- New area to establish disciplines in international agreements.

- Future oriented.

- General code of services which includes national treatment, right of establishment, right of commercial presence, transparency and dispute settlement.

- Provision for addressing future rollbacks on a mutually agreed upon basis.

- Specific sectoral codes on architecture, tourism, enhanced telecom, and computer services are developed, and included as annexes.

- Specific temporary entry provisions for business persons are established:

  - business persons
  - recognized professions
  - sales and after sales service

Table 4.1
Services Covered by Canada-U.S. Free Trade Agreement

Agriculture and Forestry Services

Soil preparation services.
Crop planting, cultivating and protection services.
Crop harvesting services (primarily by machine).
Farm management services.
Landscape and horticultural services.
Forestry services (such as reforestation, forest firefighting).
Crop preparation services for market.
Livestock and animal specialty services (except veterinary).

Mining Services

Metal mining services.
Coal mining services.
Oil and gas field services.
Non-metallic minerals (except fuels) services.

Construction Services

Building, developing and general contracting services.
Special trade contracting services.

Distributive Trade Services

Wholesale trade services.
Vending machine services.
Direct selling services.

Insurance and Real Estate Services

Insurance services.
Segregated and other funds services (managed by insurance companies only).
Insurance agency and brokering services.
Subdivision and development services.
Patent ownership and leasing services.
Franchising services.
Real estate agency and management services.
Real estate leasing services.

Table 4.1 (cont'd)

Commercial Services

Commercial cleaning services.
Advertising and promotional services.
Credit bureau services.
Collection agency services.
Stenographic, reproduction and mailing services.
Telephone answering services.
Commercial graphic art and photography services.
Services to buildings.
Equipment rental and leasing services.
Personnel supply services.
Security and investigation services.
Security systems services.
Hotel reservation services.
Automotive rental and leasing services.
Commercial educational correspondence services.
Professional services, such as
    Engineering, architectural, and surveying services.
    Accounting and auditing services.
    Agrology services.
    Scientific and technical services.
    Management consulting services.
    Librarian services.
    Agriculture consulting services.
Non-professional accounting and bookkeeping services.
Training services.
Commercial physical and biological research services.
Commercial economic, marketing, sociological, statistical and educational research services.
Public relations services.
Commercial testing laboratory services.
Repair and maintenance services.
Other business consulting services.
Management services.
    Hotel and motel management services.
    Health care facilities management services.
    Building management services.
    Retail management services.
Packing and crating services.

Other Services

Computer services
Telecommunications-network-based enhanced services.
Tourism services.
* Financial Services.

* Financial services other than insurance are covered in Chapter 17 of the Agreement.

INVESTMENT:

- National treatment for establishment of new businesses, acquisitions, and conduct operation and sale of established businesses.

- No minimum equity levels or forced divestiture.

- Free transfer of profits with exception of balance of payments clause.

- No export, local content, local sourcing or import substitution stipulations imposed on each other's investors.

- All existing published policies, regulations and laws not in conformity with these obligations will be grandfathered*.

- Canada will modify its review of direct U.S. takeovers from $5 million minimum to $150 million by third year of Agreement.

- Canada will modify its review of indirect U.S. takeovers from $50 million minimum to no review by 3 years of Agreement.

- Cultural industries are exempt from these provisions.

INVESTMENT - FINANCIAL SERVICES:

Canada agrees to:

- U.S. get national treatment in ability to buy shares of canadian financial institutions.

- 10% maximum ownership by one shareholder remains.

- $750 million rule for public trading of shares remains.

- Exempt U.S. from 25% limit on foreign ownership of chartered banks.

- U.S. is exempted from restriction on foreign banks to own more than 16% of total domestic assets of all canadian chartered banks.

* Grandfathered clause (generally any clause in an Agreement which provides that certain existing programs, practices and policies are exempt from an obligation).

U.S. agrees to:

- Open up to canadian government securities.
- Standstill (at better than national treatment).
- Protected under amendments to U.S. Glass-Steagall*

CULTURAL INDUSTRIES:

Are exempt from the provisions of this Agreement.

"Cultural Industries" means an enterprise in any of the following activities:

(A) The publication, distribution, or sale of books, magazines, periodicals, or newspapers in print or machine readable form but not including the sole activity of printing or typesetting any of the foregoing;

(B) The production, distribution, sale or exhibition of film or video recordings;

(C) The production, distribution, sale or exhibition of audio or video music recordings;

(D) The publication, distribution, sale of music in print or machine readable form; or

(E) Radiocommunication in which the transmissions are intended for direct reception by the general public, including all radio, television and cable television broadcasting undertakings and all satellite programming and broadcast network services.

TEMPORARY ENTRY FOR BUSINESS PURPOSES:

- Both parties agree to list of business visitors who can enter without prior approval.
- Provision of supplemental visa to give added certainty for certain traders and investors.
- Temporary entry of intra-company transferees will not require labour certification tests.

* U.S. Glass-Steagall Act: Regulates the relationship in that country between securities and banking.

THE COMMISSION AND DISPUTE SETTLEMENT:

- Establish Canada-United States Trade Commission:

  To supervise implementation of Agreement;
  To resolve disputes;
  To oversee further elaboration of Agreement;
  And to consider other matters that affect Agreement.

- Dispute settlement will take three forms:

  (I) For anti-dumping and countervail duty cases;
  (II) Remedial process in AD/CVD law changes;
  (III) Dispute settlement for all other matters under the Free Trade Agreement.

- Commission will operate by consensus.

- Dispute settlement will in the first instance be referred to the commission for resolution. If unresolved, the matter will be referred to a panel at request of either party.

- Panels will be composed of five members: two U.S. citizens and two Canadian citizens chosen by each party, and fifth chosen by commission.

- Panels are ad hoc.

(I) **DISPUTE SETTLEMENT IN ANTI-DUMPING AND COUNTERVAILING DUTY CASES:**

- Replaces judicial review in both countries.

- Reviews final AD and CVD orders at either party's request.

- Reviews are based on laws and practices of country where AD/CVD order instituted.

- Maximum panel review time - 315 days.

- Panel decisions are binding.

- This system in effect for up to seven years pending development of substitute set of laws for AD/CVD in both countries.

- If new system not developed at end of seven years, either party may terminate Agreement on six month notice.

- Parties may not change AD/CVD laws unless:

  - it specifies other party in law.
  - it notifies and consults upon request.
  - it is consistent with FRT and GaTT codes on subsidies and anti-dumping.

(II) **REMEDIAL PROCESS IN CHANGES TO ANTI-DUMPING/ COUNTERVAILING DUTY LAWS:**

- Panel may issue declaratory opinions on changes with respect to consistency with GaTT, objectives of FTA, or overturning previous panel decision.

- Panel decision trigger compulsory consultation for 90 days to seek solution.

- If corrective legislation not introduced and enacted into law within nine months, and no other agreement is reached, the other party may:

  (I) take comparable legislative or equivalent executive action.

  (II) terminate the Agreement with 60 day notice.

(III) **DISPUTE SETTLEMENT FOR ALL OTHER FTA MATTERS:**

BINDING:

- all safeguard disputes must be referred to panel for binding arbitration.

- all other disputes referred to binding arbitration by mutual agreement.

- if one party fails to implement findings of binding arbitration, other party may suspend equivalent benefits.

- no counter suspension or retaliation possible.

RECOMMENDATORY:

- either party may request panel for recommendatory decision.

- in case of failure to accept recommendatory decision or agreement on appropriate compensation, a party may suspend equivalent benefits, but the other party may counter-suspend.

OTHER:

- FTA does not affect '86 softwood lumber agreement.
- FTA does not restrict national security.
- FTA binds federal states to ensure compliance by State, Provincial and Local governments.
- Canada provides for protection of retransmission of copyright programming.
- CMHC did not grant approval of U.S. C-D plywood, it will be subject to panel of expert decision.
- U.S. may delay tariff concessions on softwood plywood, waferboard or particle board.
- Standstill to exist prior to entry into force of this Agreement.

We have reviewed quickly World Trade, the Canada-U.S. Free Trade Agreement and some of the areas of opportunity.

November 9, 1980 Press Clipping.

Maine Commission Bernard Shaw is reported as saying:

> "Forty-seven percent of the Eastern U.S. potato market belongs to Idaho at this time," he said. "We gave up a lot of that market over 10 years ago to go after export trade and now we have to work hard to get back into it. You are not our big competition and there is enough market there for all of us if we pack quality, promote and work hard to serve it well."

The excellent Brief prepared for this Conference by R.P. Hinds noted the following:

> "New Brunswick currently supplies less than 50% of the local provincial market. The remainder is supplied primarily by P.E.I. and the United States."

Don't be dazzled by the Free Trade Agreement and its concept of historic proportionality, be creative and take advantage of our historic opportunity.

Thank you very much.

POTATO QUALITY IMPROVEMENT

LOUISE GILLIS
MARKET DEVELOPMENT OFFICER - TABLE POTATOES, NBDA

Woodrow Wilson once said that "In judging, the thing to do is to supply light and not heat." Today, I hope to shed some light on the question of quality and sprinkle my comments with a little heat.

Imagine for a minute that you are going to the cottage for the weekend and you need some towels. You make a quick stop at the local department store. In one bin you find clean, yellow towels all neatly folded, they are 50% cotton and 50% polyester, priced at $1.69 each. In a second bin are imperfect towels, these are also yellow and are 50% cotton and 50% polyester selling for the same price of $1.69 each but some are faded, some are slightly soiled, some have uneven edges, some have slight snags. Oh! yes over the second bin is a large sign marked "Made in New Brunswick". Most of the flaws could be easily repaired if you have the time. Given a choice which towel would you buy? I would bet that with very few exceptions all of us in this room would buy the flawless towels. Even if we were strong supporters of local industries, I believe we would be unwilling to pay the same price for a product of inferior quality. I would also guess that most of us would require a substantial difference in price before we would choose the flawed product. Sure, we agree that the near perfect towels would dry as well as the perfect ones but why would we accept an inferior product with an excellent quality one available for the same price!

Until about three years ago we heard many complaints about New Brunswick potatoes. Consumers, retailers, wholesalers, restaurants and institutions were all complaining about the quality of New Brunswick potatoes. Consumers expected to receive the same from the potato industry as they did from other industries - the consistent standard of quality every time they reached in a bag. Some of you will say "But potatoes are not drawn - they are grown and we are often victims of Mother Nature." Unfortunately, when a consumer opens a bag of potatoes in February, he or she doesn't care that there was two weeks of extreme heat in July or frost during harvest or that the ventilation system in your storage malfunctioned. When a consumer reaches in a bag and pulls out a potato that is too small or too large or is marked or rotten, all that consumer feels is that he or she has been short changed. These disappointed consumers soon begin to buy potatoes from another shipper or from another province or worse the potato industry loses yet another consumer. Many consumers, dissatisfied with potatoes, have switched to rice, pasta or other vegetables, that offer consistent quality. Have you ever seen a mechanically injured avocado in the produce section of your supermarket or rice that is not immaculately clean? There must be bruised avocadoes and rice that do not meet the standards. Like the potato industry,

avocado grower and rice producers cannot afford to throw away the "less than perfect". I assume that the rice industry makes rice flour, starch and industrial products from the poorer quality rice, while culled avocado in converted to guacamole dip, salad dressings, oil extracts, make-up, etc. There is very little left to rot in the sheds, to contaminate the environment or decrease profits.

There are years when demand is high and of course, price follows suit. With a shortage of product we often take advantage of the situation and try to sell everything we have - rocks, dirt as well as spuds! Let's take an example from the chocolate industry. In the late 70's when prices for sugar and chocolate skyrocketed, did the quality of your favourite chocolate bar change - No Way! The Sweet Marie I enjoyed prior to the shortage still contained excellent quality peanuts and was as sweet as ever. The price of chocolate bars increased slightly, a price that the market would bear but the industry made one change, a change they knew we would accept. The 70's saw the introduction of a smaller chocolate bar at the same price as the larger one. This change for the industry faced with sudden increases in raw product prices.

Speaking of smaller packaging, I believe that we have here an opportunity for the potato industry. Today's consumer is looking for quality in smaller packages. Why are we still peddling No.2 in 50 lb. paper bags? Unless today's trend toward smaller families with two working parents changes dramatically, I believe that the 50 lb. and 20 lb. bags are dinosaurs and the 3 lb. bag will soon dominate the grocer shelf. Sure there will always be someone willing to buy a cheap bag of No.2's but we will never form a successful and profitable industry on those kinds of sales. Recently, I saw four, 100 count russets packed in a poly sleeve, retailing for $1.89 U.S. I imagine the cullage rate for packing these potatoes is very high but then so are the returns. With those returns cullage is not a problem.

Prior to 1986, I felt like the complaint desk of a department store - nearly every day I received a complaint about the quality of New Brunswick potatoes. Today the complaints are fewer. There is still room for improvement, especially in some select areas of the province, but for the most part the quality of our potatoes has increased significantly. So what is going on? Several things, I'd say!

The ever increasing volume of Prince Edward Island potatoes being sold in New Brunswick certainly caught everyone's attention. In 1986, a survey of major retail outlets throughout the province revealed that P.E.I. controlled about 65% of potato sales in this province. All indications were that unless the quality of New Brunswick potatoes improved dramatically, the trend toward more and more P.E.I. potatoes would continue. The growers and shippers, who serviced the provincial market, took notice - there was a sudden increase in washed New Brunswick potatoes in the provincial market and quality was improving every day. Slowly but surely we were

regaining our home market.

The N.B. Potato Agency sponsored an in-province retail promotion which featured in-bag coupons for a chance for consumers to win a trip to Barbados. Potato shippers packed close to 300,000 coupons in bags sold in the province. That to me is enthusiasm and commitment....the stuff that success is made of. A display contest for the produce department if retail outlets increased the visibility of New Brunswick potatoes, resulting in increased sales, more profits for retailers and for growers.

Clement Stone, the founder of Combine Insurance Co. in the U.S. said something that described the attitude that made this promotion successful. "There is very little difference in people, but that little difference makes a big difference. The little difference is attitude. The big difference is whether it is positive or negative." A positive attitude by everyone involved, may be all that is required to make the endeavours of New Brunswick potato industry successful.

In the fall of 1987, the New Brunswick Department of Agriculture launched a retail inspection program. The frequent attention given to potatoes by these provincial retail inspectors has resulted in a significant improvement in the quality of New Brunswick potatoes offered to local consumers. The inspectors have been instrumental in identifying problems that previously were left unchecked while yet another market was lost. The inspectors were able to identify a greening problem at store level - a problem that previous to this was denied by retailers. Today, because the high intensity of new lighting in retail outlets and because washed potatoes in poly bags are not protected from exposure to light, the greening problem has become a very real problem for growers, shippers and retailers.

The inspectors have gone beyond the call of duty by providing advice to the retail industry in solving the greening problem and many other problems. The retial inspectors are a definite asset to our provincial table potato industry. Support them, they are your assurance to a share of the provincial market.

In 1987 the New Brunswick Department of Agriculture launched a Market-Oriented Quality Improvement Program. A study conducted the year previous indicated that consumers preferred to buy local when possible because they believed that the quality and price of local agricultural products was as good as that from outside the province. This, however, was true for all other agricultural products except for potatoes. Potatoes grown in the province, while perceived as being cheaper, were seen as inferior in quality and a poor buy. As a result the Department felt that producers and shippers needed to be informed on consumer demand and shown how to meet these demands. Ms. Lisa Robichaud was hired as manager of the program. She organized a seminar with retailers for producers and packers last fall in Moncton and in December a tour of packing and storage facilities was conducted. Three packaging seminars will be held in late March. These seminars and tours are part of a

comprehensive quality improvement program aimed primarily to those who supply the provincial market. Lisa is committed to you and to your industry. She sincerely believes that with better and more up-to-date information you will be able to satisfy the demands of your market while making a profit. The attendance has been somewhat discouraging. As always those who attend are often the ones who need it the least. While the Market-Oriented Quality Improvement Program is not the only means of improving our position in today's marketplace, it is designed to provide the information required to assure that your product passes the scrutinizing eye of the retail produce inspector and that consumers will always feel that they have a winner when they choose New Brunswick potatoes.

Gian-Carlo Menotti once said, "Hell begins on the day God grants us a clear vision of all that we might have achieved, of all the gifts which we have wasted, of all that we might have done which we did not do...For me the conception of hell lies in two words: Too Late." While this applies to all aspects of living I think that at this particular time it pertains to our situation in the potato industry. Before it is too late, be positive, be enthusiastic, take advantage of all that is being offered and be part of a successful, profitable New Brunswick potato industry. Your success depends on you!

DEVELOPPEMENTS RECENTS DANS L'INDUSTRIE DE LA POMME DE TERRE DU QUÉBEC

JACQUES MICHAUD
PRÉSIDENT DE LA FÉDÉRATION DES PRODUCTEURS DU QUÉBEC

La fédération de la pomme de terre du Québec a vu le jour en 1979. Les premières démarches de la fédération ont été surtout au niveau de l'organisation des producteurs. Nous avons dans une période de temps assez courte augmenté la qualité du produit et surtout la productivité du producteur. Dans un deuxième temps, nous avons été chercher au niveau du Gouvernement du Québec ce qu'on a appelé l'assurance stabilisation et l'assurance récolte. L'assurance stabilisation a fait parler au niveau des autres provinces. Même avec tout ça, on s'est apercu qu'on avait encore un problème. En augmentant la productivité, au lieu de régler le problème on en créait un autre. Au Québec, à chaque fois qu'on augmente de 10% notre production on vient de couper le prix de 50%. On s'est aperçus que la mise en marché c'est un domaine que les producteurs étaient absents. Dans les années 80-82 les producteurs voulaient centraliser la vente a un seul vendeur pour éliminer le problème de couper les prix. Mais chez nous, sur 1200 producteurs à l'époque il y en avait a peu près 500 qui avient des magasins de détails. Enlever a un producteur son magasin de détails, c'est un peu difficile puisque les gars dans le temps n'étaient pas prets à ça. Les producteurs en très grandes majorités ont dit non à une agence obligatoire des ventes. La mise en marché allait très mal chez nous. C'est à ce moment là que je suis devenu président de la fédération. Comme président, je croyais en une structure de mise en marché. Aux alentours des années 83 je suis parti essayé au niveau national de mettre en place un office canadien.

Au Québec, à ce moment là, les gens disaient que les producteurs n'ont pas assez souffert. Je me rappeler que j'ai tenu trois reunions à Winnipeg au niveau des gens de l'ouest, dans un milieu seulement anglais. Vous vous demandez peut-être pourquoi je ne m'adresse pas en anglais. D'abord, j'ai beaucoup plus de difficultés qu'en français et je me cache un peu en arrière de la loi 101 malgré qu' avec la loi 178 il n'y aurait pas nécessairement de problème à l'intérieur. Donc on est repartie au niveau de l'agence nationale et en même temps au Québec, on disait il faut faire quelque chose. A ce moment là on a mis des argents pour engager des firmes de consultants pour regarder de quelles façons qu'on pourrait percer notre marché québecois. A ce moment là, on faisait chez nous a peu près 60-65% de notre marché. Le reste venait de l'extérieur, c'est à dire 25% de vos pommes de terre et à peu près 15% des pommes de terre de l'Ile du Prince Edouard. Comme je vous disais la fédération a aidé à augmenter la productivité des producteurs de sorte qu'aujourd'hui on répond à 80% de la demande de notre marché. Il y a 20% des pommes de terre qui viennent de l'extérieur, pratiquement toutes de l'Ile du Prince Edouard. Les firmes engagées à l'époque démontraient des systèmes dans lequelles la chaîne était bonne, mais il y avait toujours un

maillon faible. La firme de consultant qui a été la plus près etait Agri-consultant dont François Dagenais était président. M. Dagenais connaissait le milieu de la pomme de terre, donc c'était le gars qui pouvait essayer de nous bâtir un programme. Mais il y avait toujours quelque chose qui clochait, jusqu'au jour ou il nous présente M. Richard Constantineau, vice président de Provigo. Selon M. Constantineau la seule chose qui nous manquait à ce que François nous proposait c'est un plan marketing. Dans le fond, il nous proposait d'aller aux chaînes et d'acheter de l'espace de tablette. C'est ce qu'on a fait. On a former une compagnie qui s'appellait Pomexpan et on vendait aux chaînes qu'on pourrait avoir chez nous la qualité et l'approvisionnement a des prix compétitifs. Or, on payait la chaîne, pour que sur son feuillet publicitaire quelle distribué à deux millions cinq cent milles exemplaires chaque semaine, porte le nom Pomexpan.

A partir du moment où le nom de la compagnie est sur le feuillet publicitaire, ça l'oblige les 240 magasins Provigo à avoir des sacs Pomexpan et ça oblige les 140 magasins Steinberg à avoir des sacs Pomexpan. Ils peuvent avoir d'autres choses, mais ils se doivent avoir obligatoirement, à cause de la loi du consommateur la marque de commerce sur les tablettes. C'est ce que M.Constantineau a réussi et c'est ce qui nous a permis dans la première année de percer le marché de nos chaînes à 70% de leur approvisionnement. Au Québec la consommation est de 220 semaines. Deux cent vingt semaines qui sont repartis comme suit: 80 vans par des producteurs qui emballent et qui livrent directement au magasin comme Metro Richelieu. Quatre vingt vans qui sont livrées par 5 emballeurs majeurs. Alors les emballeurs c'est bien sûr de voir leurs marchés réduits ils ont été obligés d'embarqués dans Pomexpan. D'abord, ils disaient que c'était une compagnie qui ne verrait pas le jour, mais lorsqu'un moment donné Provigo dit à son fournisseur si tu n'as pas de sacs Pomexpan tu ne pourras pas ne fournir parce que les patrons ont signé un plan marketing avec Pomexpan, de sorte qu'il faut que j'en ai sur les tablettes si tu en n'as pas, même en prennant nos sacs, on avait déjà percé le marché à 70%. Ce qui veut dire que Pomexpan a été pour une année pratiquement nul pour les emballeurs. Mais, comme les prix étaient bas, les marges de profits étaient basses aussi et ça pas changé grands choses dans leur vie. Au mois de mai on a reçu de l'association des emballeurs une lettre, qui nous disaient on doit vous rencontrer et c'est très urgent. On a rencontré l'association des emballeurs qui nous a dit que la formule Pomexpan on l'accepte, mais il faut changer les règles. L'association des emballeurs nous a proposé de détenir le holding des pommes de terre c'est à dire les 30,000 acres des pommes de terre du Québec qui servent à alimenter. Le marché frais Pomexpan le détenaient. Dans la convention qu'il détenait, on ne vendait plus directement aux chaînes, on détenait cette masse de pomme de terre qu'on refillait aux 5 emballeurs qui étaient en place et qui eux livraient. Alors, si l'on ne faisaient pas ça, il est évident qu'à ce moment là on aurait eu une guerre ouverte avec les emballeurs.

Aujourd'hui, quand vous me demander de venir parler de Pomexpan, je viens vous parler des bons coups qu'on a faits et puis je ne peux pas faire autrement que de vous parler des erreurs qu'on a faits. Première erreur, on s'est fait un prix commun du transport de 2.00$ du 100 livres que les producteurs ont assez bien accepté. L'erreur, c'est qu'on aurait du prendre ce 2.00$ et le collecter au niveau de Pomexpan pour faire le pooling du transport et puis payer le transport. Au lieu de cela le 2.00$ on le laissait aux emballeurs de sorte que un emballeur situé à 30 milles du marché de Montréal recevait 2.00$ de transport pour transporter des pommes de terre à 30 milles. Ça enlevait rien aux producteurs mais parcontre on engraissait de façon démesurée certains emballeurs ce qui n'a pas plu aux producteurs. Ça été assez bien, on a contrôlé la qualité et l'approvisionnement de nos chaînes au niveau des grands marchés.

Les producteurs ne pouvant plus aller vendre des pommes de terre directement aux chaînes, la coupure des prix a été éliminée. Le producteur qui avait fourni depuis 20 ans Steinberg, ne pouvait plus le faire, parce que les chaînes avaient décidées d'acheter de Pomexpan.

Il faut comprendre que Constantineau était vice-président de Provigo, qu'il connaissait très bien le marché, que sa femme était directrice générale des achats chez Métro-Richelieu qui est devenu la plus grosse des chaînes au Québec, et il était un ami personnel de M. Térou de Steinberg. Je pense que de façon indéniable Constantineau vis-à-vis les chaînes avait une très grande force.

Une autre erreur qu'on a fait, M. Constantineau était un gars qui disait la vérité toute crue sans mettre de sucre dessus. Ça les producteurs au Québec ne l'acceptaient pas. Ils aimaient se faire dire la vérité mais peut-être d'une façon un peu moins brutale de sorte que ils n'ont jamais aimé Constantineau. Si c'était à refaire j'aurais laissé Constantineau au conseil d'administration aux chaînes, la partie d'en bas on aurait pas toucher à ça. On aurait pas impliqué Constantineau aux producteurs. Mais tout de même, au niveau du marché les chaînes allaient bien. Ça j'ai de la misère à vous dire la réalité c'est que la formule a contribué a enlevé les pommes de terre du Nouveau-Brunswick de nos tablettes. On aurait dû avoir des ententes avec vous autres avant d'en avoir avec l'Ile, mais on ne s'est pas assez parler pour toutes sortes de raisons. Aujourd'hui l'approvisionnement qui vient chez nous jusqu'au mois d'octobre vient de l'Ile du Prince Edouard et ce qui constitué 20% de nos approvisionnements. On contrôle les provenances des pommes de terre de l'Ile et leurs prix assez bien. M. Carroll qui était le premier ministre à l'Ile était pour nous autres presqu'un Garon qu'on a apprécié et avec qui il y était facile de faire des ententes.

Au niveau des 5 emballeurs M. Fernand Gosselin controlait à lui seul 50% du marché. Le jeu de Constantineau a été de ralié les 4 autres à côté pour balancer les forces. Avec la femme à Constantineau comme directrice des achats, il aurait été facile de

boycotée la patate québecoise. Avec les problèmes majeurs que l'emballeur principale au Québec qui était M. Gosselin, c'est alors que les producteurs ont eu l'idée d'acheter la patate québecoise. On a commencé des négociations l'année passé en septembre, puis le 22 décembre on s'est entendu sur la question de prix. ON a fait un conseil d'administration le lendemain. Le conseil d'administration de la fédération a accepté l'offre faite a Gosselin. M. Gosselin, quelque jours après nous avisait que ses fiscalistes avait accept l'offre à condition que l'achat s'effectue en 87 ce qui nous donnais 3 jours pour trouver 2 millions de cash. Je suis allé à l'union et je me suis fait endosé pour 2 millions et puis on a acheté patate québecoise. Pendant janvier, février et mars on était là à titre d'observateur parce qu'on attendait le closing de la fine d'année. Donc, Constantineau était à patate québecoise, mais on a pas mené grand chose là. On regardait surtout les choses se faire. Au 1er avril on a pris la commande en main et là on a fair une grosse erreur en laissant à M. Gosselin 1/3 des actions votantes.

M. Gosselin est un homme d'affaire, j'ai une très grande admiration pour lui, mais c'est un gars que personne ne mène. Il s'est toujours mené seul et ce n'est pas Constantineau qui va le mener non plus. Notre directeur générale, M. Constantineau, est un gars qui a vait acheté Dominion. Un gars qui venait de Provigo et un gars assez due de gueule. Imaginez les 2 ensembles, vous voyez le conflit d'intéret. Pendant les mois de janvier, février et mars j'ai pas engraissé, ça prennait tout mon petit change pour assayer des séparer. Au mois d'avril, j'ai dit à M. Constantineau, M. Gosselin il est encore dans l'organisation mais ce n'est plus à lui. Puis, je remarque qu,on ne vend pas encore chez Métro-Richelieu, qu'est-ce qui se passe? Au mois d'avril, M. Ethier me dit que Pomexpan est un compétiteur, il perdait des vans chez Métro-Richelieu. On commençait à se faire des ennemis parce qu'on penetrait le marché avec une force assez considérable. Rendu au mois de mai la situation entre M. Gosselin et M. Constantineau était devenu intenable, de sorte que le conseil d'administration a été obliger de se rencontrer d'urgence pour statuer ce qu'on allait faire. Le conseil d'administration a dit on garde Constantineau, et Gosselin devient seulement conseillé au président, il n'à plus d'ordres à donner. Le feu a prît dans la province.

Au mois d'août la pomme de terre de primeur est arrivée partout en même temps, au Lac St-Jean, à Québec comme à Montréal. Sagenay Lac St-Jean et Québec devoir sortir 5,6,7 vans par semaine pour envoyer sur le marché de Montréal pendant que les gens de Montréal arrachaient. La formule Pomexpan avait pour but de prendre les pommes de terre un peu partout. J'ai avec M. Constantineau rencontré Messieurs Ethier et Soriel pour leur dire on a 6 ou 7 vans de pommes de terre qui viendront du Sagenay Lac St-Jean et Québec. On ne les vends pas directement, on les passe à l'intérieur de votre canal et vous allez ralentir vos gars de 7 vans, autrement vous allez jeter le marché à terre. Il y en était pas question, c'est alors que M. Constantineau devint drastique.

C'était une offre à prendre ou à laisser. Les commandes n'entrant pas chez Métro-Richelieu les gars sont revenus sur leur décision, ils ont pris les 7 vans à l'intérieur de leur canal mais ils ont fait des assemblées au niveau des autres régions. Ils disaient que Pomexpan est fait pour les régions plus eloignées qui ont un pool de transport qui aide les régions éloignées, mais nous autres aux alentours du grand village de Montréal, ça nous n'aide pas du tout.

Autre problème, le 2 millions, j'avais jamais penser comme président de la fédération que je payerai de l'intérêt sur 2 millions. J'avais toujours pensé que patate québecoise payerait les frais d'intérêt sur le 2 millions. M. Gosselin qui avait le tier departs s'opposait à cela. Au niveau de Pomexpan, c'est à dire la compagnie mère qui avait acheté le bureau de Montréal on ne faisait plus d'affaires. C'était tout à patate québecoise donc il n'entrait pas de revenu. Si vous pensez que 2 millions d'emprunt pour payer la partie des producteurs ça fait 250,000$ d'intérêt. Alors, la fédération prêta de l'argent à Pomexpan pour payer ces frais d'intérêt. Au mois d'octobre on institut une enquête pour voir si Constantineau était un mauvais administrateur ou s'il avait volé la compagnie. L'enquête est sortie, on trouve des irrégularités comme on en retrouve un peu partout. Ce qui causa un boycotte, parce que le marché que l'on controlait presque à 100% était devenu presque un free for all dans l'espace de 1 mois à 1 1/2 mois. Il est entré la semaine dernière 77 vans de pommes de terre de l'Ile du Prince Edouard a peu près 70 vans cette semaine et les producteurs à l'heure actuelle peuvent entrer aux chaînes comme ils veulent, alors on se compétitionnent entre nous autres.

Est ce que c'est désespéré, je ne pense pas. Je pense que ça fait partie de l'expérience qu'on à vivre. Ce qui est malheureux dans cela, c'est qu'on avait avec le ministre de l'agriculture au mois d'octobre conclu une entente ou les deux palliers du gouvernement investiraient 3 millions de dollars au niveau de Pomexpan et la coopérative Fédérée du Québec mettrait un apport financier plus considérable que ça dans un premier volet. Il y avait aussi dans un deuxième volet de la parte de la coopérative Fédérée du Québec un volet de transformation pour les produits de la quatrième génération qui était très intéressant de plusieurs dizaines de millions.

Autre erreur qu'on a fait comme fédération, on détient 56% des actions et dans notre charte le président de la fédération est aussi président de Pomexpan. Ça c'est une compagnie qui demande du volontaria. Le président est responsable de 1200 producteurs. S'il y en a 700 ou 800 dans Pomexpan, les autres aussi sont des sujets et tu dois les défendre. On ne vous cache pas qu'à l'heure actuelle on vit des problèmes de structures.

Et au niveau de la réorganisation de Pomexpan, il y a des producteurs qui sont pour un office central de commercialisation au Québec. Il est évident que si on réussi à déposer d'ici l'automne un plan détaillé sur ce que pourrait être un éventuel

office de commercialisation au niveau provincial, les structures de vente vont devoir aller en harmonie. Un office de vente central au Québec s'inscrirait dans le cadre d'un office national de commercialisation. Personnellement l'obliger tout de suite, je trouve que le timing est un peu fort! Au Québec à l'heure actuelle, ce qu'on proposent aux producteurs c'est d'aller tout de suite vers un office central de commercialisation avant même que l'office national soit en place. Présentement on n'a fait que la moitié de la province, au niveau des régions pour savoir est-ce qu'on va dans cela ou non? Le 7 avril à l'assemblée générale on aura la réponse à savoir si les producteurs du Québec vont vendent leurs pommes de terre à un seul bureau de vente. J'espère que oui, et je supporte l'idée à 100% malgré qu'au niveau du timing je n'étais pas d'accord. Au niveau des structures, j'ai proposé au conseil d'administration la semaine dernière que dans un premier temps il faut ré-ouvrir un bureau de vente à Montréal et revendre à tout les emballeurs. Deuxième des choses que la Fédérée mettent plusieurs millions à ma disposition. Avec cet argent j'acheterais les parts de M. Gosselin, et je rembourserais le 2 millions et on irais dans un deuxième temps vers un volet de transformation. Le conseil d'administration était divisé au niveau de Pomexpan. Je n'avais pas grand choix, j'ai donné ma démission, parce que de façon momentanée ce n'ai pas selon mes vues. Je ne boude absolument pas ni Pomexpan, ni la fédération. Je fais partie intégrale du conseil d'administration de la fédération. Les producteurs au niveau du champs veulent dans l'emsemble que je continue à piloter le dossier national. J'appuie la revendication pour une agence de vente obligatoire, mais je souhaite à ceux qui pilote ça une très bonne chance.

En ce qui concerne l'office, j'ai encore le plaisir de travailler avec votre président Ivan et avec mon ami Willem. Je pense que c'est des gars que chez vous, vous représente très bien.

Pour revenir avec Pomexpan, on est en période de transition. C'est une compagnie à laquelle je crois qui a eu des effets très bénéfique au niveau des producteurs au Québec et je pense que après la période de tempête le beau temps reviendra et les structures seront probablement plus forte qu'avant.

"Les tendances des consommateurs"

par Dr. Jean-Claude Dufour
Université Laval

Monsieur le Président du colloque,
Mesdames et
Messieurs,

Je remercie les organisateurs de ce colloque de m'accorder l'honneur de vous faire un exposé sur les tendances du marché. C'est avec plaisir que je vais aborder avec vous, un sujet difficile, controversé, imprécis, mais tellement important.

Maître du marché, acheteur suspicieux et exigeant, le consommateur nous a depuis longtemps montré qu'il nous fallait s'adapter rapidement à ses besoins pour survivre dans la jungle des marchés agro-alimentaires. Rien n'est plus vrai depuis le début des années '80.

Libre dans son choix d'achat, passablement bien nanti (un revenu

discrétionnaire de 4,000$/famille au Canada), indépendant d'image, mais valorisateur de l'utilisation de son temps, le consommateur d'aujourd'hui et de demain oblige une rationalsiation et une planification continues des activités du marketing et de production agro-alimentaire.

Dans le cas de la pomme de terre, des fruits et des légumes, ces caractéristiques de marché sont encore plus évidentes. Alors que nous imaginons tous un engoûment pour la consommation de produits frais, nutritifs, bons et avec tous les qualificatifs que vous pouves imaginer, il semble que dans ce secteur, il n'y ait aucune habitude ancrée. Les marchés sont encore volatiles, instables (surtout à cause des prix), fluctuants (de par les attitudes et valeurs de consommateurs), en résumé d'apparence et de faits contradictoires. Malheureusement ou heureusement, tel s'exprime le comportement de l'acheteur qui aime être courtisé, informé, satisfait dans le rapport qualité/prix "value" de ses achats, à l'intérieur d'un cycle familial perturbé, rapide et déphasé vers le vieillissement.

Ainsi, on pourrait facilement caractériser les consommateurs sous quatre vocables: les hédonistes, les préoccupés par les vitamines, les préoccupés par les calories et les rationnels "économiques".

Acétates #1 et 2

Bientôt, ils seront plus de 40% de la population générale en haut de 40 ans et même il faut viser 60% au cours des deux prochaines décennies.

Acétate #3

Il faut également envisager qu'ils atteindront un plafond "en nombre" d'ici l'an 2020, ce qui implique un changement stratégique de l'axe volume à celui de qualité des segments, dès maintenant.

Acétates #4, 5 et 6

Déjà, nous avons la réponse aux stratégies à adopter, à savoir une meilleure complémentarité entre la segmentation des marchés (bâtie sur les différents styles de vie) et la différenciation des produits.

Des études américaines et canadiennes montrent qu'il existe des corrélations significatives entre la consommation des pommes de terre et l'âge, le niveau d'éduation, le style de vie et même le sexe. Par exemple, il semble que la consommation de frites soit plus élevée chez les jeunes et les adolescents et que les pommes de terre parisiennes, rondes, plus sophistiquées sont davantage consommées par les adultes de quarante ans et plus.

Il appert que les enfants du "baby boom" et les "yappies" soient aujourd'hui devenus des adeptes du "cocooning", avec autant de variétés de comportements que de produits. Cela veut dire qu'ils font autant place aux croustilles "chips", qu'aux pommes de terre "parisiennes" ou "juliennes" ou "minirondelles", juxtaposant la qualité du temps libre et de la nourriture, au désir de grignoter devant la télévision en écoutant un bon film vidéo.

Ce contexte nous contuit donc à identifier à la fois des potentialités pour les produits frais et les produits transformés, mais avec plus de différenciation et un accent prononcé sur la sélection des marchés.

Acétates #7 et 8

Il ne sera donc pas surprenant de voir dans un magasin, à la fois de pommes de terre fraîches emballées, des pommes de terre fraîches délavées, des croustilles de toutes sortes, des pommes de terre fraîches au four emballées individuellement dans du papier d'aluminum, des frites congelées sous toutes formes et de différents formats et des nouveaux produits que l'on pourrait qualifier de quatrième gamme, développés sur les axes de goût, qualité et temps. Ce sont des produits emballés sous atmosphère modifiée ou sous vide.

Cette nouvelle technologie permet une conservation plus longue, un temps de cuisson plus rapide que les légumes prépelés tout en conservant la même saveur. De ces nouveaux produits, les frites pré-cuites emballées sous atmosphère modifiée et les pommes de terre rondes emballées sous vide, puvant être conservées pendant un an à la température de la pièce, ont fait leur apparition principalement en Europe, en paquets de 2.5 kg et de 5 kg. Nonobstant certains problèmes technologiques existants, les transformateurs canadiens oeuvrent durement pour produire et commercialiser ces produits dès le printemps présent. De plus, ces produits peuvent facilement s'accomoder d'un double positionnement dans le commerce de détail et sur le marché institutionnel.

Pour le marché, il s'agit de produits économiques (relativement à l'élasticité revenu des segments cibles), vite préparés, mais dont la saveur et la valeur alimentaire ont pu être préservées. La probabilité de réussite de tels produits ne peut qu'être améliorée, si la teneur en sucre réducteur des pommes de terre peut être maintenue basse pour éviter le noircissement de produits comme les frites.

Les caractéristiques du marché conduisent le raisonnement vers une production de pommes de terre longues, à haute densité et à faible teneur en sucre réducteur (Ex. Chieftain, Sheppody et Russet Burbank).

Comme tout semble possible dans le marché de la pomme de terre, même les pertes sont présentement récupérées et très lucrativement. Par exemple, aux Etats-Unis, actuellement, les petites pommes de

terre sont écrasées et reconstituées en frite dans un moule, puis emballées pour utilisation au micro-onde. McDonald est un client très sérieux de ce type de produit. De plus, elles sont vendues en magasin. Voilà un bel exemple de l'utilisation des marchés de détail et institutionnel, là où le partage du dollar du consommateur doit être bien compris et surtout accessible par vos stratégies.

Conclusion

Dans un marché où règne une diversité de styles de vie, il semblerait que les légumes de quatrième gamme (i.e. frais emballé) s'accapareront environ 10% de volume de consommation d'ici 1990. Utopie, rêve ou réalité, il me semble que nous devons tous s'arrêter quelques instants pour analyser les conséquences d'une telle tendance et les décisions s'y rattachant.

Dans le même ordre d'idées, il fut explicite que le volume n'est plus nécessairement un axe de développement à privilégier. L'obligation de choisir des segments de consommateurs et d'y associer des produits différenciés adaptés à leurs exigences est devenue la base de la réussite d'un marketing rentable pour tous les intervenants, du producteur au consommateur.

Le coût de plus en plus élevé de la vie extérieure au foyer favorise des modifications de comportement comme le "cocooning", dont les principaux adeptes sont les mêmes qui avaient amené la tendance inverse, soit les "baby boomers" et les "yuppies". Ces comportements axés sur la qualité de temps de loisir favorisent plusieurs produits associés aux gourmets ou à la "bonne bouffe" dont la pomme de terre est facilement associable. Il n'en demeure qu'aux offrants à déceler les opportunités que ces comportements suggèrent, sans évidence certaine.

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Qui est ce consommateur?

. 20% des consommateurs sont hédonistes

. 20% des consommateurs sont préoccupés par les vitamines.

. 35% des consommateurs sont préoccupés par les calories.

. 25% des consommateurs sont économiquement "rationnels".

FACTEURS EXPLICATIFS DE LA TENDANCE

. DEMOGRAPHIE

. HABITUDES D'ACHAT ET DE CONSOMMATION

. VALEURS

Répartition procentuelle de la population canadienne par groupe d'âges, 1984-2031

Groupes d'âges	Années 1984		2005		2031	
Moins d'un an	1,48		0,98		0,79	
1 à 4 ans	5,78	29,98	3,93	22,58	3,22	17,41
5 à 11	9,98		7,43		6,14	
12 à 19	12,74		10,24		7,26	
20 à 39	35,13		28,78		23,44	
40 à 64	25,07	34,90	35,76	48,64	34,02	58,45
65 ans et plus	9,83		12,88		24,43	

Source: Danielson et Davey, p. 33.

Prévision démographique

Canada, 1984-2031

Année	Prévisions (millions)
1984	24,83
1991	26,23
2001	27,70
2005	28,13
2011	28,65
2021	29,14
2031	28,93

Source: Danielson et Davey, p. 32.

DEMOGRAPHIE

. PLUS DE 50% DES FEMMES AGEES ENTRE 20 ET 50 ANS TRAVAILLENT A L'EXTERIEUR DU FOYER;

. 42% DE LA POPULATION A UN DOUBLE REVENU;

. 34% DU POUVOIR D'ACHAT AUX 50 ANS ET PLUS;

. 30% DES PRODUITS CONSOMMES A LA MAISON SONT ACHETES PAR LES 50 ANS ET PLUS;

. 11% DES FOYERS SONT MONOPARENTAUX.

Le marché des 50 ans et plus

1. <u>Les maîtres consommateurs</u>

- 35% des 50 ans et + (2 2[illegible],000 personnes)
- 46% du pouvoir d'achat des 50 ans et +
- Friands de nouveauté

. contrôlent 55% du revenu personnel et 80% de la richesse du pays

2. <u>Les mainteneurs</u>

. 33% du marché (2 145,000 personnes)

. 60% sont à leur retraite

. 33% du pouvoir d'achat

. moins perméable à la nouveauté

. En l'an 2000, ils seront environ 10 millions au Canada.

. dépensent 7% de plus en nourriture et restaurants par rapport aux autres groupes.

3. <u>Les simplificateurs</u>

. 32% du marché (2 080,000 personnes)

. 21% du pouvoir d'achat

. consomment modérément

. fidèles aux marques

HABITUDES DE CONSOMMATION

"EATING" (manger)

VS

"SNACKING" (collationner)

VS

"GRAZING" (Mangeotter)

VS

"COCOONING" (Déguster)

"COUCH POTATO"

VALEURS LIEES À LA CONSOMMATION

. Convenance	+	de sophistication	consommation orientée sur la qualité et le goût
. Qualité	+	de fraîcheur	
. Nutrition	+	de saveur	
. Sécurité	+	de variété	

Financial Issues

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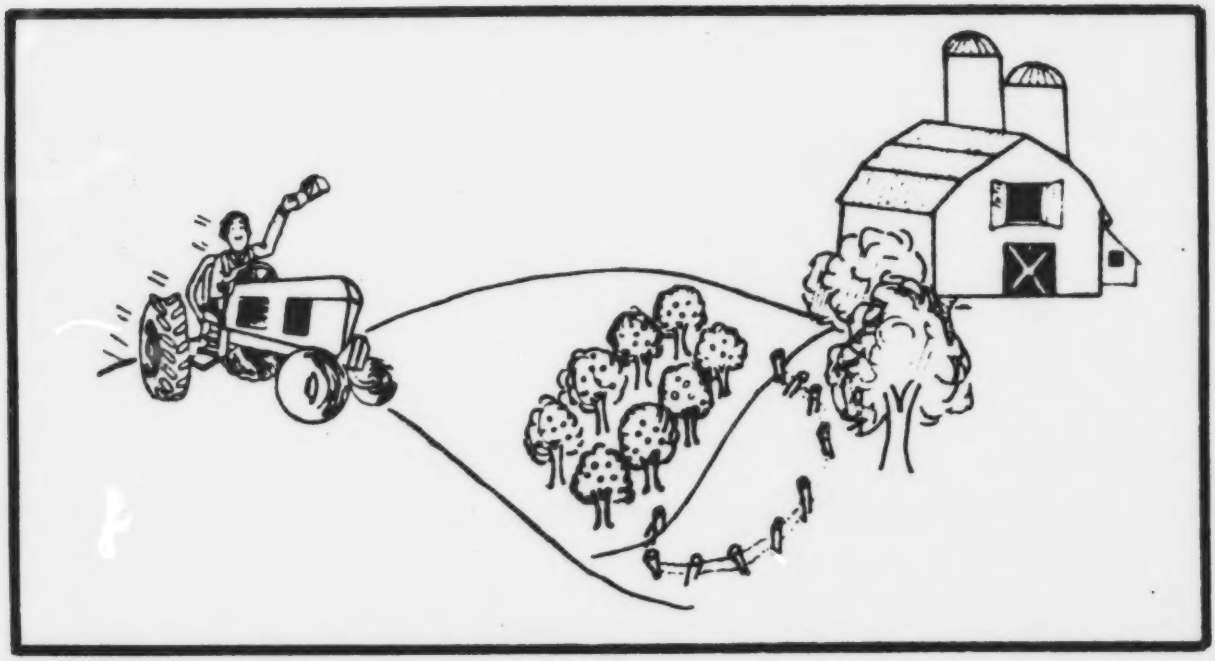
U.S.A.

FARMING THE CYCLES -



STRATEGIC PLANNING in riding the roller coaster to Success

FINANCIAL MANAGEMENT
FOR THE PROFIT-ORIENTED BUSINESS

DEFINITION OF STRATEGY

- A plan for getting the best return from available resources.

- The selection of the kind of business to engage in.

- The plan for obtaining a favorable position in that business field.

- An arrangement for dealing with the forever-changing outer world.

- The understanding of the particular qualities of your industry and the program for matching the firm's resources with it.

- A formula for achieving success.

FARMING THE CYCLES - STRATEGIC PLANNING IN RIDING THE ROLLER COASTER TO SUCCESS

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Information in this Packet

Originally compiled and written by Vice Presidents Don R. Rogers and Robert Egerton - Farm Credit Banks of Springfield in 1981

Adapted and updated for Potato Conference Grand Falls, Canada

February 1989

Presented by: Don R. Rogers

Overview of Agricultural Cycles

In the United States, farm net income has experienced tremendous volatility over the past 70 years. Adjusted to 1982 dollars, we have seen three years when net farm income was at relatively high levels. These peaks, experienced in 1918, 1946, and 1973 all had one thing in common - strong export demand that led to an expansion in production and net farm income. The break in export demand following World War I and World War II and the grain embargo in 1973 reduced the demand for American farm commodities resulting in a slump in prices received. Present farm net income, adjusted for inflation, has been improving slightly, but during most of the early 1980s, was roughly the same as during the 1930s. Is this to say farmers are as bad off as during the Depression? Except for a small minority, the answer is no - primarily for four reasons:

1. Today's equivalent farm income is divided among only one-third as many farmers.

2. Productivity gains per man-hour of labor during the past 50 years.

   - Since 1950, labor in man-hours on the farm has declined by 75%.

3. Many farmers or spouses hold off-the-farm jobs.

   - According to a recent article in the Wall Street Journal, farmers as a whole now earn about 1/2 their net income off the farm.

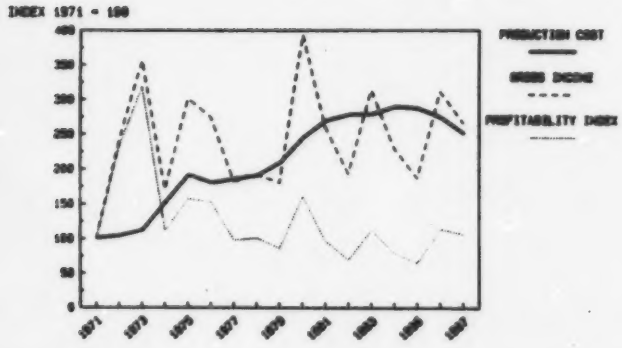
4. Government programs, many of which were prompted by Depression hardships, now provide a safety net.

   - A large part of net farm income consisted of direct government payments of one sort or another.

Most farm businesses have experienced wider swings in profitability in recent years. Many of the techniques developed for survival in previous periods of decreased profitability can be used to good advantage now. However, some aspects of the current agricultural outlook are unique. Interest expense, ten years ago, represented approximately 7.5% of total farm production expenses. By 1985, it had more than doubled to over 15% of total production expenses. On some farms, interest expense represents the single highest operating expense. In the Springfield District Agrifax® Dairy Summary, it has remained the third highest expense in each of the past five years, but has increased from $125/cow in 1978 to $150/cow in 1987. The Aroostook County Potato Farm Report showed an increase in interest expense from $53/acre in 1978 to $81/acre in 1987. Our fruit and crop benchmarks show interest as the fourth highest expense. The increase in interest expense is the result of two factors: 1) higher interest rates; and 2), increasing indebtedness on farms.

The next page shows the commodity profitability cycle for some of our main farm products. Each has had their ups and downs. The important point is to know where your farm and agricultural commodity fits into the overall economic environment.

MAINE POTATOES



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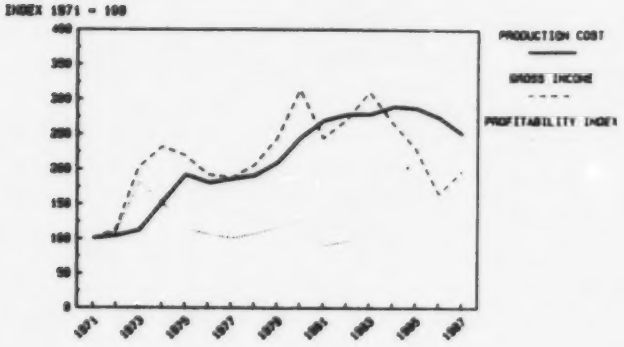
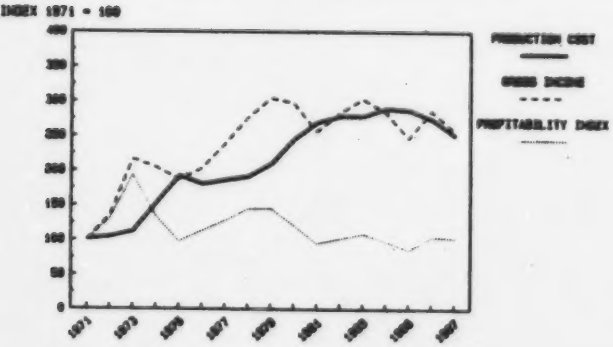
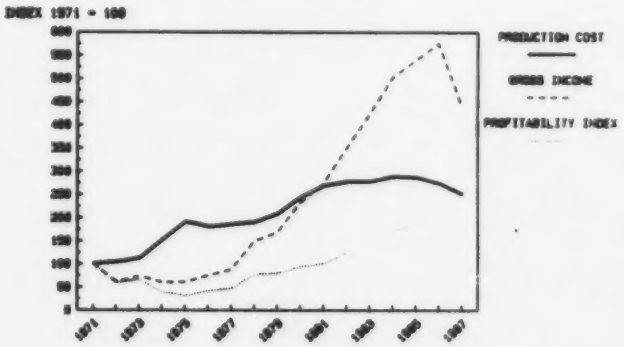


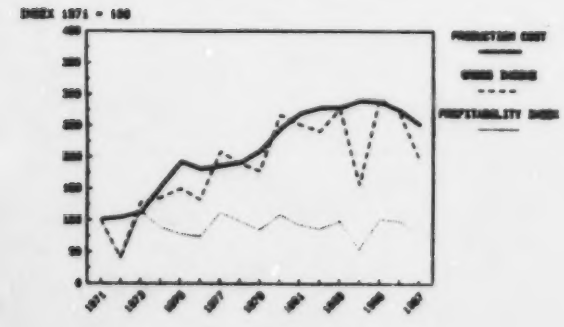
U.S. APPLES
FRESH & PROCESSED



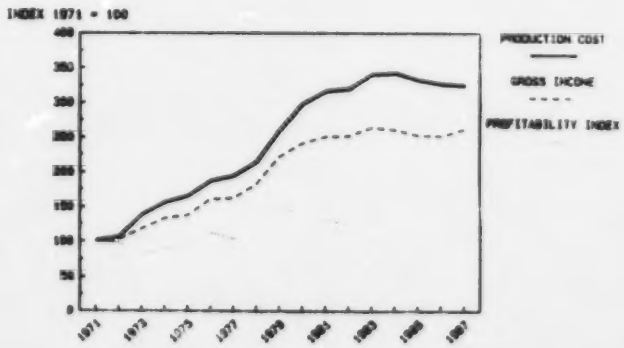
MASSACHUSETTS CRANBERRIES



NEW JERSEY PEACHES



U.S. DAIRY FARMS



Carefully Planned Change is the Key to Success

It is well known that we are creatures of habit. Changing our methods of operating a business is easier said than done. As profit margins tighten, we tend to become more hesitant and defensive about change.

As a result, some managers change their strategy a little too late. In farming the cycles, one must know where the economy is going in relation to his own enterprises. The charts on the preceding page illustrate the cycles quite clearly, especially in relationship to inflationary and recessionary times and to supply and demand.

Techniques or Management Styles During the Cycles

The tools of operating a successful farm through the cycles require the ability to know when to:

- Tighten your belt or live it up
- Improve your efficiency or expand
- Be conservative versus being an opportunist
- Put out fires or develop long-range plans
- Work harder or delegate more

All too often, we stick to the same familiar routine and before you realize it, your debt is escalating as profit margins shrink. In Farm Credit we see this as rolling over operating losses into capital debt. If not corrected

in time, you never quite recover when in the up cycle. Thus, a successful manager must be willing to change. Three key characteristics that are critical for a manager to change are:

1. **BEING OPEN-MINDED**

You can go just so far with your blinders on or farming with tunnel vision. Those who never missed a working day in 20 years or who haven't taken a week off to see the world around them will find it difficult to ride the roller coaster without an upset stomach. Being open-minded requires a willingness to listen, observe, be curious, inquisitive, and exploring. "It means always questioning why we do it this way."

An open-minded farmer seeks out trusted advisors, asks for alternatives, and uses professionals in agribusiness to find the right combination of factors that will work in his particular situation.

2. **BEING WELL-INFORMED**

Most farmers would say, I am a farmer, not a bookkeeper. I am a doer, not a pencil pusher. I don't enjoy figures or using a calculator; I enjoy handling cattle and crops. But well-informed farmers know the financial details of their business,

and can digest an article in a popular farm magazine to the point where they know why an idea will or will not work on their farm.

Generating unbiased information about various practices and enterprises on your farm is a difficult job. So often we will run across a farmer who quotes the standard numbers, "my costs per acre are:" or, "my yields are:" only to find out that in actuality they are nowhere near right. They are just kidding themselves, and are not willing to put the facts before their bias.

3. **BEING GOAL-ORIENTED**

A key question our consultants ask farmers they work with is, "Where do you want to be five years from now?" The usual answer is, "I haven't thought about it" or "still farming." Years ago, one young, aspiring farmer wanted to farm until age 55, sell out, and get a government job. Not only was this his goal, he achieved it. Some of his neighbors' reactions were he must have been a failure. When others make their goal, it can be frustrating for those who did not set goals because they were afraid of disappointments. Goals can be dangerous if they are unrealistic, but operating without a plan is even worse. The concept of management by objectives (MBO) is well known and used in business. This concept called "MBO" can be a valuable tool for farmers. The critics who say you cannot plan in

agriculture because you have no control over the cycles, prices, weather, and regulation are the ones who are always fighting fires and going from one crisis to another. What is needed on farms is a battle plan that can be used to successfully carry you through the cycles from one farming generation to another. Thus, the key to success is change but planned change. Every manager should have a philosophy of management. A style that reflects a "pre-active" rather than "reactive" behavior. The key element of "MBO" is a process of goal setting, action planning, self-control, and periodic progress reviews and adjustments.

An Actual Five-Year Farm Plan: Goal Setting

Here is one farm's objectives. For each of these four areas, there are steps to take, training, and helping devices in place to reach these goals. But what is more important, it was developed by the farm family as a team. Not everything is written down nor will their timetable be on target, but at least the family and farm have things in focus and have carefully planned changes to achieve their goals.

	1986	1987	1988	1989	1990
Financial					
min. % net worth	40%	42%	45%	48%	50%
capital purch.	office	land	large tractor	storage	expansion
Production					
herd ave.	14,200	14,600	15,000	15,500	16,000
% protein in alfalfa	12%	14%	16%	18%	20%
heifers % of cows	70%	75%	85%	90%	100%
Management					
1st son	key farm job	gets every fourth heifer	heifers	house	Partnership with both
2nd son	in college	in college	key farm job	gets heifers	sons
Personal					
% responsibility	100%	90%	80%	70%	50%
vacation	2 weeks	2 weeks	3 weeks	3 weeks	4 weeks

How You Can Cope in a Down Cycle

To survive in an economically depressed agricultural industry or economy, a number of ingredients are necessary.

1. Keep accurate and timely records - both financial and production. There's no other way to know where you are today and where you've come from. A key lesson from the present financial stress in agriculture is that good management decisions require good records. This is one of the reasons for increased use of on-farm computer programs. Based on surveys we have conducted, only 25% of the commercial farms in the Northeast have computerized financial records. Yet the cost, at approximately $65/month, is less than one half of 1% of gross sales for most businesses.

2. Control Costs - Tightening the expense side of business is usually the first line of defense. If the down cycle is short, this may be all that is necessary. The following lists a number of ways to keep expenses to a minimum:

   a. Be firm in negotiating major purchases.
   b. Take advantage of trade discounts.
      - A 1% discount for payment within ten days is the equivalent of an annual interest rate of 18.25%.
   c. Obtain a line of credit and when cash flow is positive, reduce indebtedness; borrow to replenish cash flow as necessary.
   d. Analyze carefully planting intentions, fertilizer usage, and other crop needs.

e. Eliminate expenses that do not contribute to net profit.

f. Liquidate unprofitable enterprises. Obviously to do this, you will need good records of earnings by enterprise.

g. Sell land or equipment not needed in the operation.

h. Adjust living standards in accordance with low commodity prices and profits.

3. Develop a capital spending plan - With tighter profits and the high cost of borrowed money, you will not be able to make all those purchases on your wish list. Smart managers ask themselves whether a proposed expenditure will save or make money and pay for itself in a short period of time. If the payback isn't there or if it will take too long, the proposed expenditure should not be made unless absolutely necessary. Each farmer should develop a list of capital purchases he would like to make in each of the next few years. This list should include replacement items for equipment wearing out as well as purchases to expand or improve efficiency. An estimate of cost should be placed next to each item and a priority ranking attached to the list.

4. Set financial goals - Only a small percentage of all farmers establish financial goals on either a short-term (1 year) or long-term (5-10 year) basis, yet many of the most profitable farms establish annual goals to measure performance against. Farmers often will establish production goals but are afraid of "failure" if financial goals are established and not achieved. This is hardly failure as no doubt you'll be closer to achieving them than if no goals were established.

The financial goals you establish are unique to your operation. Although no one can tell you what your goals should be, the following lists categories where goals should be established:

a. Net Worth - both in total dollars and as a percent of assets.
b. Net Profit and return on investment.
c. Debt per producing unit - both total debt and capital debt/unit.
d. Percent of future capital purchases to be borrowed.
e. Number of families the business can support.

Once established your goals can be expanded or revised as needed. To be most effective your entire management team should be involved in setting and monitoring your goals.

5. Stay abreast of economic changes that affect your operation - Many farmers did not recognize that the use of financial leverage, which worked well in the 1970s, was inappropriate for the early 1980s. In past years, a farmer could borrow at a rate below the inflation rate. As long as a farmer could handle the annual cash flow, his investment was appreciating in value and there was satisfaction in knowing that the investment would eventually be paid off with cheaper dollars. However, inflation has moderated and the value of farm real estate has dropped in many areas. Even worse, the prices of most farm commodities dropped to where a farmer who entered into heavy debt commitments to purchase real estate during the mid to late 1970s was unable to meet the annual cash flow required in the early 1980s.

6. Do a better job of marketing your production - Clearly, given the present surpluses in many agricultural commodities, marketing will become the primary management challenge in the next few years. This will require a number of innovative approaches and may represent a substantial departure from past practices.

7. Make use of comparative data and outlook information - In our financial survey of 2,000 farmers which we referenced earlier, one of the concerns expressed about on-farm computers was that it would be more difficult to compare themselves to average information on similar sized farms. As profits become tighter, successful managers will constantly search for ways to improve efficiency and control costs. An excellent way to determine where management attention should be focused is to compare your operation to the more profitable ones in your industry. **(At the end of this reference is an Agrifax® Potato Benchmark 5-year trend, Aroostook County, Maine)**

A key ingredient of coping when profits have dropped is to prepare a budget for next year. The best information on which to base this is good records for your farm for last year. In addition, you will need good data on changes expected during next year in commodity prices, government price support programs, farm inputs, machinery prices, etc. This can be obtained from several sources such as the agricultural trade magazines, information from agricultural college Outlook materials, or Outlook Updates from the Farm Credit Banks of Springfield.

8. Do the little things right - This is a combination of those factors listed above and focusing your attention on the details. A very astute farm leader once said that farmers can be grouped into two classes, those who are one-half day ahead of schedule and those who are one-half day behind. Often it is no more than that which separates the farmer who harvested his alfalfa before it rained versus his neighbor whose hay got wet. In the Aroostook County Maine Potato Summary the high profit group had slightly better yields, much better prices and lower cost control in several key expenses. In this study, the low profit farmers were farming in the same area, under the same conditions, and supplying the same markets as their more profitable neighbors. The difference was greater attention to detail and focusing management attention where it will generate the highest return.

And do not forget to be:

open-minded, well-informed,

and set long-term goals.

Five Ways to Manage in an Up Cycle

An UP cycle is that unique period of time when income outlasts expenses by at least 25% and you are faced with paying Uncle Sam some income tax. For some commodities this could be once in five years (potatoes) or only for a few weeks (poultry) or three years (fruit). Sometimes an up cycle has been referenced as that sustained period of time when you could pay all your bills every month.

How you manage during these times is probably more critical than during a down cycle. In a down cycle you know what must be done. You don't like it but it's a matter of survival. Whereas in an up cycle, the pressure is off and we tend to let up on those management-style characteristics that got us through the down cycle and thus the slippage begins. Instead, one should look at an up cycle as an opportunity to manage to greater efficiency. Here are some important concepts to use during this time. They represent an important checklist to maintain discipline in running your business.

First of all, put into practice three needs for every want. Remember those items you needed during the down cycle but could not afford to implement? Now is the time to re-rank the "needs" list and put them into action. For example, get back to replacing old equipment, clearing new land, adding more drainage tile, and repairing the roof. Then create a "wish" list such as a new car, the farm next door, a computer, and don't buy anything on the "wish" list until you have implemented three changes from "needs" list.

Second, don't reduce or compromise your business standards. If your efficiency was improved during the down cycle, don't slack off. The packing line should handle 10 bushels of apples/hour or 70 cases of eggs/hour during an up cycle too. With plenty of cash flow one might rather spend time with new equipment, talking with neighbors, etc., instead of keeping the business hopping!

Third, when analyzing improvements to the business, be conservative. Remember what a variable interest rate can do to monthly payments. When figuring payback on investment, you should use an average of five-year prices, and return on capital that is 3% above the interest rate. This will temper those large positive cash flows that result from wanting something so badly that you can only see the benefits and not the costs.

It is also useful to have someone from inside and outside the business to review your analysis of pending improvements. I use the "suppose if" principle to test the probability of success or failure to get a better handle on the validity of the assumptions. Suppose price is 10% higher or lower; how will this affect the bottom line?

Fourth, you need to work at getting the business back in balance. Obviously, in surviving a down cycle one had to cut corners. You need to remember what these were and work hard at getting the farm back in balance again. For instance, determine what your limiting resources are and start strengthening them. Such as:

Your land is in poor condition - depleted fertility or in need of drainage. Perhaps you don't have enough land or depend too much on rented land with no long-term leases.

Your financial situation has deteriorated to the point where net worth is below 40%; you must then concentrate on plowing profits into debt reduction or replenishing inventory.

Your labor was thin and could use another person or time for training to build skill levels.

Your own management time was sacrificed and now perhaps you should take the time to do some needed planning.

Fifth, maintain a reserve. In an up cycle we tend to go overboard in making changes and repairing the ship. We go too far. During the inflationary '70s you could borrow and pay your debt off with cheaper dollars. Being highly leveraged was a good management strategy. Currently, we have low inflation so we must swing back the other way and concentrate on building up a nest egg. It's better to save a little under these conditions. You might even have to pay a little income tax. There will be bad days in your business: either from a down cycle, drought, fire, or something that one must weather through; so one of the essential steps of managing in an up cycle is to salt a few pennies away.

Self-Test on Riding the Roller Coaster

Economic Factors Affecting Agriculture

1. Are your interest costs less than 10% of gross income? Y ___ N ___

2. Does anyone in your operation work off the farm? Y ___ N ___

3. I know where my major commodity is in the farm cycle. Y ___ N ___

4. Before I make any major decisions regarding a change in crops or size of business, I analyze it according to the latest trends and outlook. Y ___ N ___

Change is Key to Success

1. Have you turned over a key responsibility to someone else in the business in the last year? Y ___ N ___

2. Have you resisted new ideas (technology) until five other area farmers have tried it before you? Y ___ N ___

3. Have you adopted someone else's plan and made it work successfully? Y ___ N ___

4. Did you achieve at least two planned goals in 1988? Y ___ N ___

Ways to Cope in a Down Cycle

1. I developed at least two budgets for 1989 based on different economic conditions (say a most likely scenario and a worst case scenario). Y ___ N ___

2. I developed a written capital spending plan for 1989 and have separated my needs from my wants. Y ___ N ___

3. I have an excellent monthly financial record-keeping program which I use for financial and tax planning and management. Y ___ N ___

4. I have become more active in marketing my farm production. Y ___ N ___

Ways to Manage in an Up Cycle

1. When your operation is in an up cycle, do you have 10% of gross farm receipts in cash reserves (liquid) and available within one year? Y ___ N ___

2. Is there someone in your business who can prevent you from doing something? Or, if not, is there someone outside of the business who you use to talk you out of something? Y ___ N ___

3. Have you ever paid more than $5,000 in income taxes, (excluding social security tax)? Y ___ N ___

4. Have you sent anyone, besides yourself, in your business to an in-depth training program (more than 2 days) in the past year? Y ___ N ___

Your Management Flexibility Barometer

	No. of yes answers
Understanding economy	_____
Changing your management style	_____
Adjustments in down cycle	_____
Adjustments in up cycle	_____
Total	_____

Score of 13 or more: You are able to ride the biggest roller coaster with no problems.

9-12: If you haven't taken a vacation yet, you deserve one.

0-8: You are probably under financial stress and should seek some professional help.

AGRIFAX POTATO BENCHMARKS

Aroostook County 1987

TABLE B-1. COMPARISON BETWEEN YEARS PER ACRE—AGRIFAX® EARNINGS WORKSHEET

	1983	1984	1985	1986	1987
Number of Farms	40	39	35	34	33
Average Potato Acreage	179	190	197	203	198
	DOLLARS PER POTATO ACRE				
Receipts					
Potato Sales	$1,407	$1,131	$ 877	$1,187	$1,286
Raised Seed Value	73	87	59	34	54
Sale of Futures	18	14	5	3	0
Crops	61	50	65	38	73
Other	41	72	92	70	69
CASH FARM RECEIPTS (a)	$1,600	$1,354	$1,098	$1,332	$1,482
Accrual Adjustments					
- Resale Purchases	$ 23	$ 12	$ 3	$ 2	$ 0
+ Change in Inventory for Sale	-81	-11	6	70	-28
+ Change in Crop Inventory	30	-25	-29	27	-8
+ Change in Accounts Receivable	120	-78	-27	146	-21
VALUE OF FARM PRODUCTION (c)	$1,646	$1,228	$1,045	$1,573	$1,425
Expenses					
Labor	$ 233	$ 257	$ 242	$ 230	$ 252
Repairs	87	91	75	82	83
Interest	138	111	107	105	81
Rent	39	41	31	31	33
Seed (Raised & Purchased)	152	191	142	96	170
Fertilizer & Lime	153	156	160	148	143
Sprays & Chemicals	83	83	86	82	91
Machine Hire	18	24	30	20	19
Supplies	32	30	25	19	21
Fuel & Oil	74	75	72	55	65
Taxes (except Income Tax)	31	30	30	30	38
Insurance	34	45	39	40	43
Utilities	12	14	16	17	21
Freight & Trucking	54	47	51	37	35
Other	20	21	42	38	43
ADJUSTED FARM OPERATING EXPENSES* (b)	$1,160	$1,216	$1,148	$1,030	$1,138
Depreciation					
+ Building & Improvement Depreciation	$ 19	$ 27	$ 39	$ 38	$ 47
+ Machinery & Equipment Depreciation	90	92	68	61	77
ADJUSTED FARM OPERATING EXPENSES INCLUDING DEPRECIATION (d)	$1,269	$1,335	$1,255	$1,129	$1,262
NET FARM INCOME (a) - (b)	$ 440	$ 138	$ -50	$ 302	$ 344
NET FARM EARNINGS (c) - (d)	$ 377	$ -107	$ -210	$ 444	$ 163
+ Net Nonfarm Income	15	28	18	13	23
- Family Living & Taxes	127	148	112	103	136
NET EARNINGS	$ 255	$ -227	$ -304	$ 354	$ 50

*Expenses adjusted for changes in accounts payable, prepaid expenses and supply inventories.

HANDLING YOUR CREDIT APPLICATIONS

Dave Carlisle, Mouth of Keswick, NB

We hear everyday that all levels of government and industry are trying to make drastic reductions in deficits and debt load. This is no doubt a great goal to set but may not always be realistic or achievable. A better avenue in my mind is use credit or debt wisely to maintain a better cash flow with planned long-term debt reduction. This is a particularly important point in agriculture when you consider we live in a society used to cheap food compounded with the fact farm units and inputs are increasing in value.

When I reviewed the 1988 farm survey conducted by FCC in conjunction with Statistics Canada and Agriculture Canada, I found the assets of the average cash crop farm in Atlantic Canada have increased by $93,000 or $12,000 per year since 1981. On the other side of the balance sheet liabilities have increased by $24,000 or $3,000 per year over the same period. This means 25% of the increase in value which is either capital gain or new investment through land development, buildings or equipment has been financed by borrowed funds since it was more than the available net farm income.

In the dairy industry, the changes were larger over the same period but the same calculation indicates 20% of the increased asset value for dairy farms in Atlantic Canada was financed.

It is interesting to note farm sales on cash crop farms increased by $12,000 per year to $163,000 per farm in 1988 while dairy farms only increased $8,500 per year to $124,000 over the same 8 years.

I realize these facts are statistics on groups of farms, but since we live in an age when the scale of asset value to income is high, the increased liability level, shows owner equity has to be supplemented with borrowed capital to allow operators to expand and introduce the abundance of new technology available to our farms today. We strive to become "more efficient" but this bears a cost. We continuously replace operator labor and some of our hired labor with costly technology. Some of these changes will lower expenses but I feel a good share of technological investment only replaces other expenses.

As examples - computers only add value to most farms if we spend more time inputting data and analyzing results. A computer feeder replaces time spent actually feeding cows but increases the time required to ensure the computer has the correct informaiton to do the job properly. A silage program replacing a hay program on a dairy farm is sure to increase the farm's annual expenses by increasing interest costs on equipment and storage as well as fuel and other expenses associated with operating heavier equipment but

the same people should be able to handle more volume more efficiently cutting labor costs with a further saving from the better quality product in storage.

I believe we have outlived the era when it was a stigma to be a debtor and have a mortgage on our assets. With today's increasing values, we are measured as farm operators by how well we utilize credit both long and short term to meet the goals we have set in our individual operations.

I hope these examples help make my case that borrowed capital is necessary on our farms today but since the total assets and liabilities are increasing in size, it is necessary for us to be more fine tuned managers to successfully farm the same potato acres or milk the same number of cows we did 10 to 15 years ago.

Enough said about the need for borrowed capital. I will now turn to the steps we must use to obtain and manage that capital.

The first step is planning. A farm being managed without a plan is like driving down a road without a map. Not only will you not know where you are going, you will not know where you are when you get there. A plan does not need to be elaborate but as a minimum, you must know in your mind what you want in a fixed period of time. Your goal could be simply increasing to and maintaining 40 acres of potatoes per year to be developed over a six year period. If that is your goal, it is easier to make the on-going and annual adjustments to a plan to meet that goal. Planning can be as simplistic as this or as elaborate as hiring a consultant to help analyze all available avenues and develop a multi-year plan with built-in methods of review and adjustment. A plan helps set out our required borrowing needs and the times funds are needed.

The second step in the process is understanding our business. We must know our markets, whether they are marketing boards, free markets or contract markets, we must understand them. Even under marketing board quotas, production levels change as sales increase or fall off due to changes in advertising policy, market prices or other influences. If we are not tuned to these changes, they could occur when our cash flow is unable to cope. Along with knowing our markets, we should know what lenders are available to our type and size of business and have a good knowledge of the terms they lend under and the kinds of security they require. We are then in a position to determine which kinds of loans are best suited for our needs as we develop and meet the goals set out in step one.

The third step in the process as I see it is communicaiton. We all know it is easier to do business with someone we know than a distant stranger. Borrowing money is no different. A lender can relate to us and discuss credit needs if he understands us well. Develop a business relationship with your banker, you should meet and discuss on a regular basis how your business in progressing. If your lender does not have the time or does not understand your type of farming, you may need to look around. I don't recommend

changing though unless the reasons are sound.

It is important for a lender to have confidence in you. This develops over time and includes his assessment of how well you understand your business including your knowledge of markets and trends. Discuss problems in your business and how you are solving them. Even if you don't need a loan, discussing problems and how you handled them helps build confidence in you by the lender. These tips apply to long-term lenders as well as bankers. We can't be sure when increased long-term money may be needed and requirements will in most cases be met easier if you have built a rapport with the mortgagee.

Step four involves loan applications and record-keeping. The type of records referred to here are mainly financial but we must keep track of physical records as well. These include such information as crop yields and acreages, milk production records and inventories of livestock, crops for sale and feed, etc. As we operate our farm business year by year, we tend to lose track of changes that occur such as production levels, inventory levels, and acreage cropped. If we apply for additional financing from the same source it is important to remember what we said in the past and what information was provided in previous applications.

I try on my farm to keep copies of previous applications so that the story told on each connects and relates to the goals I have set and talked about in the past. A lender has a good history on our farm business if we have dealt with the same institution in the past and I try to answer any changes or differences in subsequent applications before the lender has the opportunity to use differences as indications of inconsistencies or poor planning. I must add here that I have referred earlier to setting out goals and following a plan. This is true but all plans and goals must be reviewed from time to time to ensure they still meet our needs. There is nothing wrong in changing or amending a plan so long as it is the prudent thing to do under changing circumstances. The emphasis I wish to make is explaining these changes and how they affect our plans and budgets. As long as they are explained, a lender will have the answers he requires for his reports. We must remember that lenders usually have to report to other people and must be able to explain any discrepancies in loan applications they review.

The last step I wish to present is the commitment we make when we borrow money. By properly planning our operation and understanding the various types of loans available, we can be in a good position to set some of our own terms. This is to our advantage, but it is also important to remember that we make the commitment and must be prepared to live up to the terms. This does not mean though that we must make all payments as agreed to. Times change and some years bring poor crop yields and from time to time other factors including rising interest rates make it difficult if not impossible to meet commitments. In such circumstances, we best benefit from a good relationship with our lenders and a good understanding of

our business both on the farm and in the marketplace. I feel most bankers are cooperative but have no desire to chase borrowers who fail to meet commitments. When I cannot keep a commitment, I talk to the lender in question in advance and set up an acceptable alternative plan. I think you will find most lenders operate this way but don't leave the problem until the last minute. Develop an alternative and discuss it with your lender. Acting in this kind of responsible manner should preserve your credit rating and retain your ability to continue financing your farm.

In summary, I feel we can all improve some of the steps I have outlined and will then find obtaining a necessary loan will be made easier because of it. A lot of the times I hear of a farmer having trouble with a lender. It seems to stem from a communication problem or failing to give complete information when it is required. If we look at the lender as a person with a job to do and try to understand his job a little better, a loan application will go much smoother. One final point in the whole process is integrity. To make any loan application easier to present and indeed to develop and maintain a satisfactory relationship with any lender, we must deal in good faith. Don't withhold information. Present all facts accurately and remember that providing more information than requested is better than leaving out facts we may be trying to hide.

A banker now retired made the statement to me that a person who knows his business well, knows what he wants and knows his management capabilities can practically write his own loan. That statement I feel contains some goals we can all work toward.

COMMENT FAIRE FACE AU STRESS EN MILIEU DE TRAVAIL?

Dr. Reno L. Desjardins, Québec

A l'ère d'un développement sansationnel en médecine, comme celui effectué dans la chirurgie à coeur ouvert ou dans celui de la thérapie au laser, nous serions justifiés de penser que l'espérance de vie aurait, elle aussi, connu des progrès spectaculaires. Mais il n'en est rie. Même avec les traitements miracles et la technologie de pointe, notre population âgée meurt à peu près au même âge qu'il y a cent ans, alors que la médecine était plutôt primitive, selon les dires du Docteur Peter Hanson. (Les plaisirs du stress, p. 11).

Les raisons explicant cette situation seraient, d'une part, que nous avons trop tendance à avoir une attitude plutôt passive vis-à-vis notre santé et notre longévité. Nous faisons trop souvent fi de notre santé. Un bon jour la panne nous frappe, et alors, nous recourons au médecin, ce que nous aurions dû faire plusieurs années auparavant. Sachons que santé et longévité exigent une participation active de tous et chacun. D'autre part, de nouveaus stresseurs nous assaillent et nous ne sommes pas toujours habilités à leur faire face adéquatement. Voilà pourquoi des choix éclairés et réfléchis s'imposent à nous. Ces choix devraient porter sur le façon avec laquelle nous effectuons la gestion de notre vie. D'après les plus récentes études sur le sujet, il apparaît futile de se contenter d'invoquer la malchance, voire même l'hérédité, devant une crise cardiaque, un cancer du poumon ou d'autres affection répétées. Ces cas douloureux ont un déniminateur commun: une mauvaise gestion de vie généralement attribuable au stress.

Le stress! Voilà le sujet qu'on m'a demandé de traiter au cours de ce congrès. En plus, je dois souligner le stress qui serait commun aux travailleurs agricoles. De toutes les études que j'ai consultées pour la préparation de mon exposé, très peu, sinon aucun, ne parlent d'un stress spécifique aux personnes qui oeuvrent dans le domaine de l'agriculture. D'un autre côté, la majorité des auteurs font ressortir le fait que le stress survient à la suite d'un nombre trop grand de pressions qui assaillent un individu. Ce phénomène peut exister dans toutes les sphères d'activité.

Il est important de reconnaître cependant que l'agriculture se situe dans une classe spéciale où les pressions s'avèrent nombreuses et dévastatrices: celle des entreprises individuelles. En effet, l'agriculteur doit gérer sa propre entreprise. Pour ce faire, il lui importe de compter à son crédit un nombre imposant d'habiletés. Un fonctionnement adèquat de son organisation exige qu'il soit un bon administrateur, un excellent comptable, un spécialiste en investissement et, parfois, un fiscaliste, en plus de posséder à fond la science agricole, un connaissance approfondie du marché et des différentes ouvertures. On ne peut oublier, non

PREFACE

Often when people are upset.....
or don't find much meaning
or are going too fast.....
or damage a relationship
or have lost something important.....
Pretty soon they get so they don't feel so good.... anymore
And they get sick.....
So they.... go to the doctor..... who looks at them... and fixes them... and..... gets them back on their feet.....
And then... because they haven't learned why they got sick... some people go home... and they get upset again... and damage a relationship...
and still don't find much meaning.... and go too fast again.. or lose something important again.....
And... in not too long they get so they don't feel so good..... anymore
And they get sick again.....
It's kind of wasteful and painful.... but.... sometimes people go like this.... getting up and down forever..... That is, until one time when They get sick.. and can't get gotten up again

* * * * * *

It's a shame
because there are plenty of other styles for living.

There are a lot of skills for dealing with

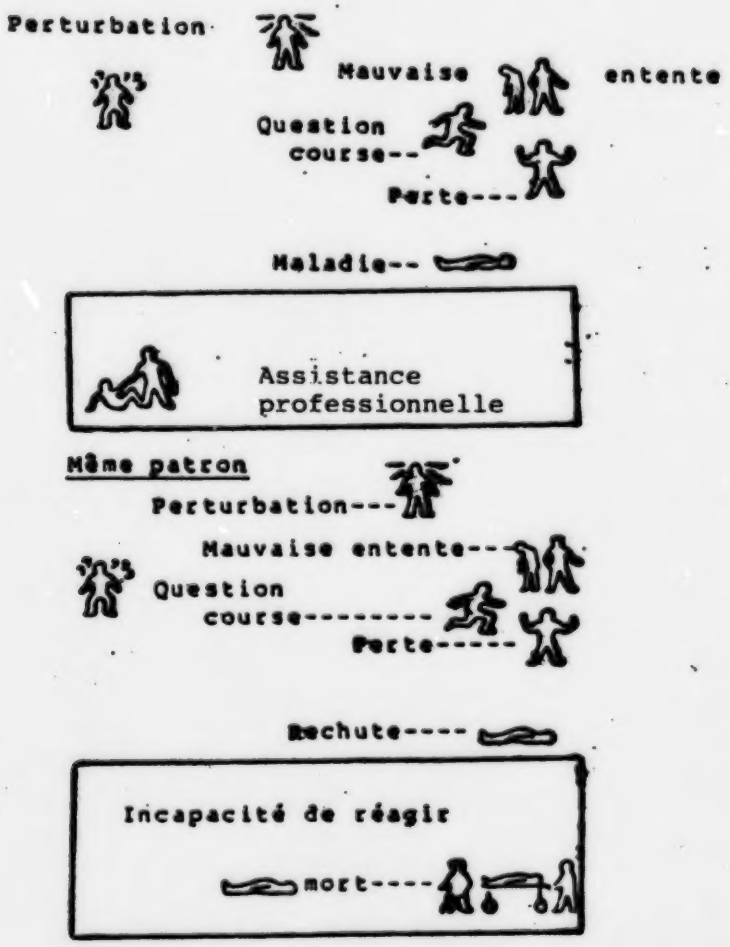
"Being upset"
"Not finding meaning"
"Going too fast"
"Grief over losses"
"Damaged relationships in life"

There are plenty of skills for dealing with stress

HOW ABOUT YOU? IS STRESS KILLING YOU?

-4-

PREFACE



Il est déplorable d'avoir à vivre une situation semblable car il y a d'autres styles de vie à adopter. Il suffit de les connaître.

Schéma 1

STRESS

THE WEAR AND TEAR SYNDROME

People continually face a variety of pressures to which they must adapt.

STRESSORS

Overwork and Fatigue | Fear and Hate | Exposure and Injury | Hurry and Tension | Expectations and Pressures

When these pressures are threatening, the body rushes to supply protection for itself by turning on the chemical "juices" and preparing to defend itself.

STRESS — G. A. S. Generalized Adaptation Syndrome The Fight Reaction

Continual fighting against stressors finally produces exhaustion. When the body can no longer gear itself up, it breaks down.

DISEASE

Arthritis | Emotional Dis-Ease | Cardiovascular Disease | Gastrointestinal Disease

We don't have much to say about how we look at 16, but we are the ones who determine how we are going to look at sixty.

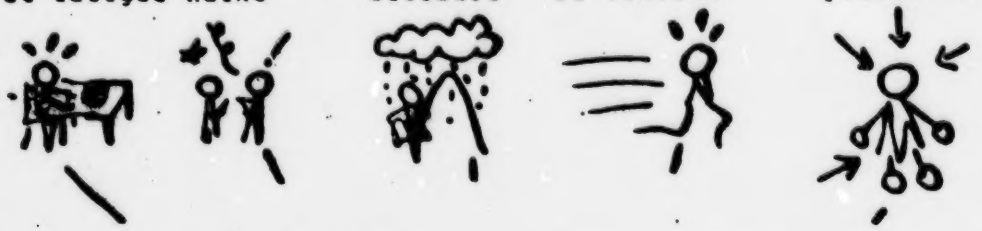
STRESS

Syndrome d'usure et de maladie

Les gens doivent continuellement faire face à une variété de pressions et s'y adapter.

Stresseurs:

Surménage et fatigue | Peur et haine | Danger et blessure | Précipitation et tension | Attentes et pressions



Quand ces pressions sont trop menaçantes

Le corps essaie de se protéger

STRESS — S. G. A. Réaction de lutte

Une lutte continuelle contre les stresseurs aboutit à l'épuisement. Le corps ne pouvant plus tenir, flanche.

MALADIE

Arthrite | Maladies émotionnelles | Maladies Cardio-vasculaires | Maladies Gastro-intestinales

Nous n'avons pas grand'chose à dire sur ce que nous avons l'air à 16 ans, mais nous déterminons ce que nous ressemblons à 60 ans.

Schéma 2

plus, que l'agriculteur averti doit être un innovateur, en ce sens qu'il lui faut rester à l'affût des nouveautés possibles afin de rentabiliser sa propriété. Toute cette activité génère des stresseurs qui minent son homme ou sa femme à plus ou moins long terme.

En conséquence, il est absolument indispensable de connaître les moyens de contrer les effets nocifs des pressions reçues.

La meilleure façon de se protéger contre le stress et ses répercussions négatives dans un organisme humain c'est d'abord de connaître vraiment ce qu'il est. Ensuite, il sera plus facile de retenir, pour son usage quotidien, les moyens très simples suggérés par tous les auteurs pour nous aider à éviter un excès de stress ou nous apprendre à fonctionner adéquatement avec le montant de stress que nous expérimentons à tous les jours.

Dans le schéma de cet exposé, je présente une préface à l'ensemble du problème auquel nous avons tous à faire face. Malheureusement trop souvent nous laissons une sorte de patron se construire dans notre vie. Ce patron est fait d'un certain nombre de stresseurs comme, par exemple, la perturbation, la mauvaise entente avec nos proches ou nos associés, les questions sans réponses, l'hyperactivité, les pertes de toute sorte. Quand un trop grand nombre de ces stresseurs nous tombent dessus, il se peut que nous devenions malades. Cette maladie nécessitera l'intervention du médecin qui nous aidera à nous remettre sur nos deux pieds. Mais si la maladie n'a pas réussi à nous faire reviser et changer notre style de vie, nous retournerons dans le même patron qui consiste à nous laisser perturber de nouveau, à avoir de mauvaises relations, à nous poser trop de questions sans réponses, à ne cesser de courir, et à subir des pertes. Il et très possible que nous retombions malades. Bien souvent cette rechute sera fatale. Il est déplorable d'avoir à vivre un situation samblable, car il y a d'autres styles de vie à adopter. Il suffit de les connaître.

Venons-en maintenant à la nécessité qui s'impose à nous: celle de connaître vraiment ce qu'est le stress. Je présente ici deux descriptions du stress. Celles-ci devraient faire connaître assez bien de quoi il retourne. La première description se retrouve dans le schéma 2 du présent texte. Ce schéma souligne d'abord que le stress est une réalité de la vie. Mentionnons en plus qu,il y a un certain montant de stress qui est sain et dont nous ne pouvons ni ne devons nous départir. Mais un excès de stress deviendra souvent patologique. C'est contre ce dernier qu'il nous faut trouver des remèdes.

Retenons que les gens doivent continuellement faire face à une variété de pressions et s'y adapter. Ces pressions nous les appelons stresseurs. Le stresseur constitue le premier élément d'un continuum. Exemples de stresseurs: le surménage et la fatigue, la peur et la haine, le danger et les blessures, etc. quand un trop grand nombre de ces stresserus envahissent un individu et le menacent, son corps essaie de se protéger en

réagissant. Nous appelons cela la réaction de lutte ou le syndrome généralisé d'adaptation. Cette réaction de lutte c'est cela le stress et il constitue, en même temps, le deuxième facteur sur notre continuum. Cependant une lutte continuelle contre les stresseurs ou les pressions aboutit à l'épuisement. Le corps ne pouvant plus tenir, flanche. C'est la maladie, troisième facteur du continuum. Cette maladie se traduit dans le corps selon ses faiblesses héréditaires ou autres. Pour moi, il s'agit là d'une excellente description de ce que représente le stress et ses effets.

La deuxièment description du stress se retrouve dans la schéma 3. Le stress y est représenté par un pendule qui oscille de gaughe à droite poussé par la force du stresseur. Si le pendule oscille raisonnablement, nous sommes en présence d'un stress acceptable, sain, qui ne nuira pas à notre adaptation. Il sera même excellent en raison de sa valeur de stimulation. Rappellons-nous qu'une absence totale de stress n'est pas du tout sain. Trop de passivité s'en suivrait. Si le pendule se met à osciller trop loin à gauche ou à droite, poussé par des stresseurs trop nombreux ou puissants nous aurons alors un excès de stress des deux côtés. Cet excès sur l'un ou l'autre côté peut aboutir à la mort, mais pas pour les mêmes raisons. Une oscillation du pendule trop loin à gauche conduira à la mort à cause de privation ou d'insuffisances. Alors que si le pendule va trop loin à droite, la mort en résultera pour une raison de distorsion ou d'excès. Les schémas 5 et 6 illustrent ces deux possibilités en donnant des exemples.

Il est donc impérieux de connaître le mieux possible où nous nous situons personnellement par rapport au stress. Plusieurs techniques existent depuis un certain nombre d'années pour nous aider à effectuer cette évaluation. Je n'en mentionne qu'une qui fut publiée en 1967 par Holmes-Rahe. Elle porte le nom de "L'Echelle d'évaluation du stress de Holmes-Rahe". On peut la retrouver plus bas au schéma 7. Son usage est relativement facile. Elle comprend une liste d'évènements vécus au courant de la dernière année. Pour chaque évènement, les auteurs ont attribué une cote. Par exemple, s'il s'agit du décès d'un conjoint, celle-ci sera 100. Dans le cas d'un divorce, il faut attribuer 73, en ainsi de suite. Les personnes qui désirent se soummetre à l'évaluation n'ont qu'à indiquer lesquels des évènements mentionnés les concernent en encerclant les valeurs qui s'y rattachent. Pour un séjour en prison, encercler 63; pour un mariage, encercler 50. Un fois l'opération terminée, il faut additionner les chiffres encerclés et en inscrire le total à l'endroit désigné.

L'interprétation du total nous a été fournie par Holmes-Rahe. Hanson nous la fournit à la page 72 de son volume. Si le total de vos points est inférieur à 150, la probabilité que votre santé soit altérée au cours de l'année qui vient est de 30 p. 100; entre 150 et 300, la probabilité est de 50 p. 100; plus de 300, la probabilité est de 100 p. 100.

Cependant, Hanson prend bien soin de mentionner que la nature

MODÈLE D'ÉQUILIBRE DYNAMIQUE

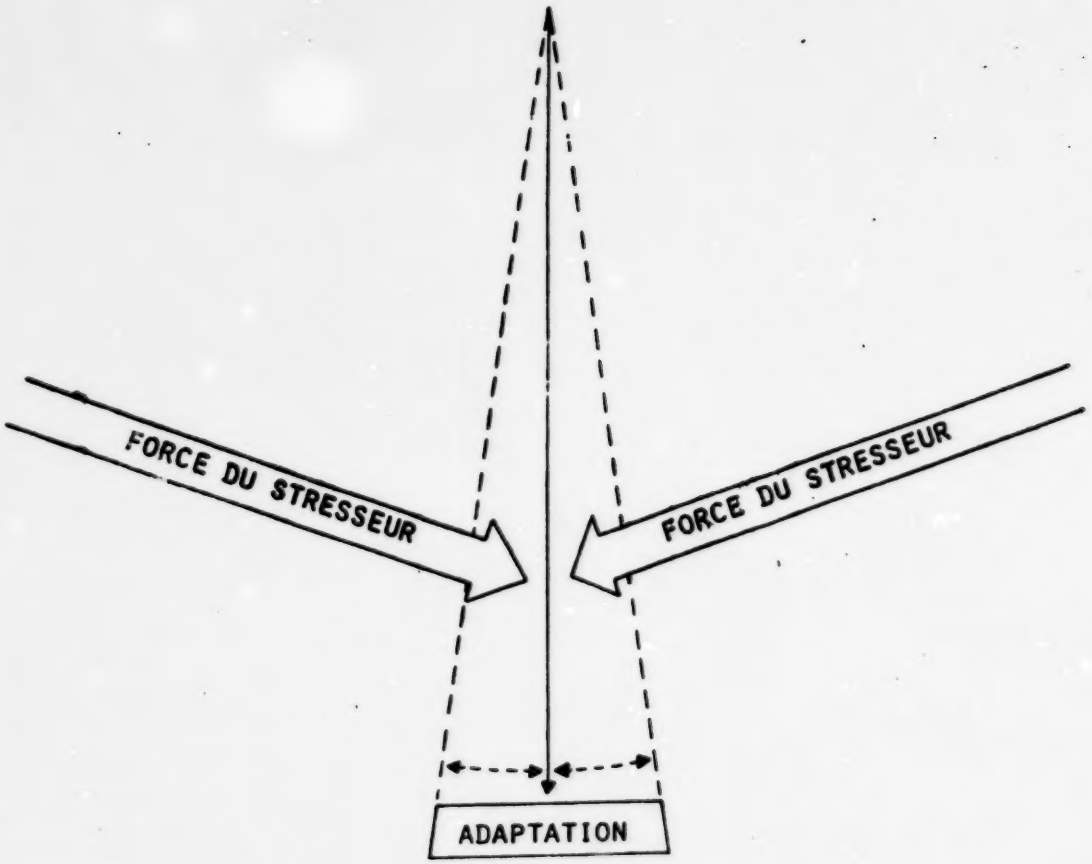


Schéma 3

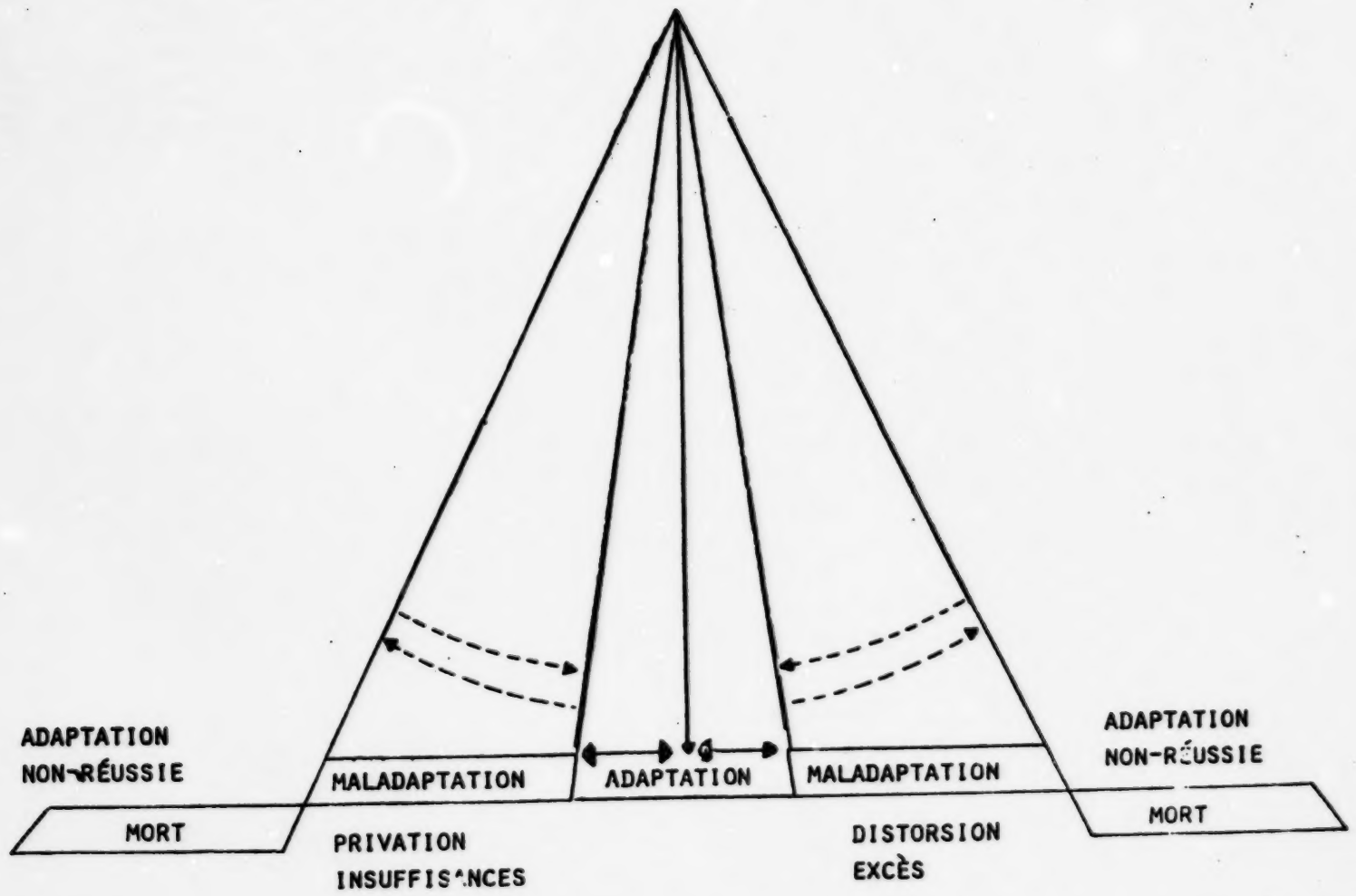
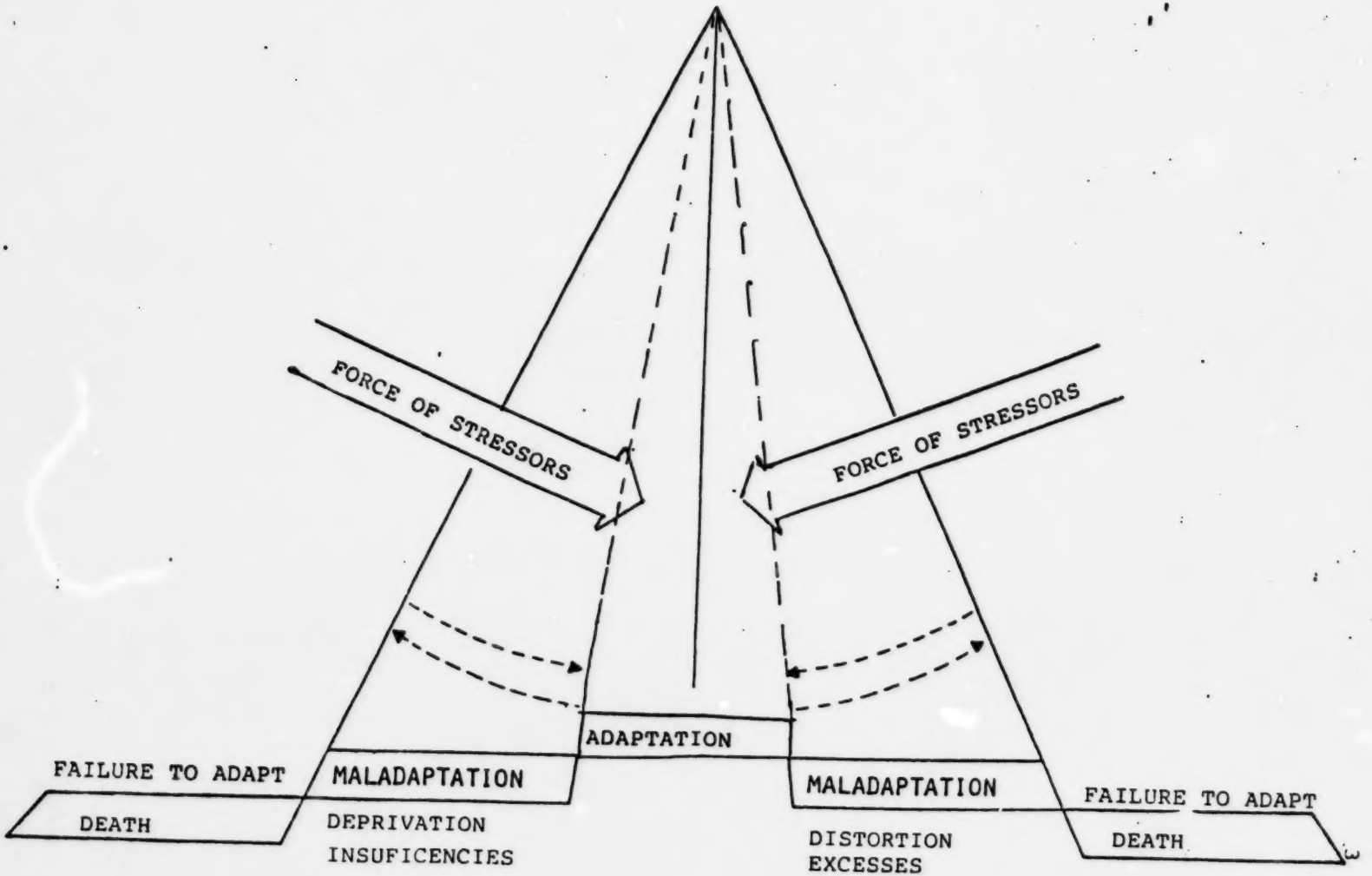

ADAPTATION
NON-RÉUSSIE
MORT
MALADAPTATION
PRIVATION
INSUFFISANCES
ADAPTATION
MALADAPTATION
DISTORSION
EXCÈS
ADAPTATION
NON-RÉUSSIE
MORT

Schéma 4

DYNAMIC EQUILIBRIUM MODEL



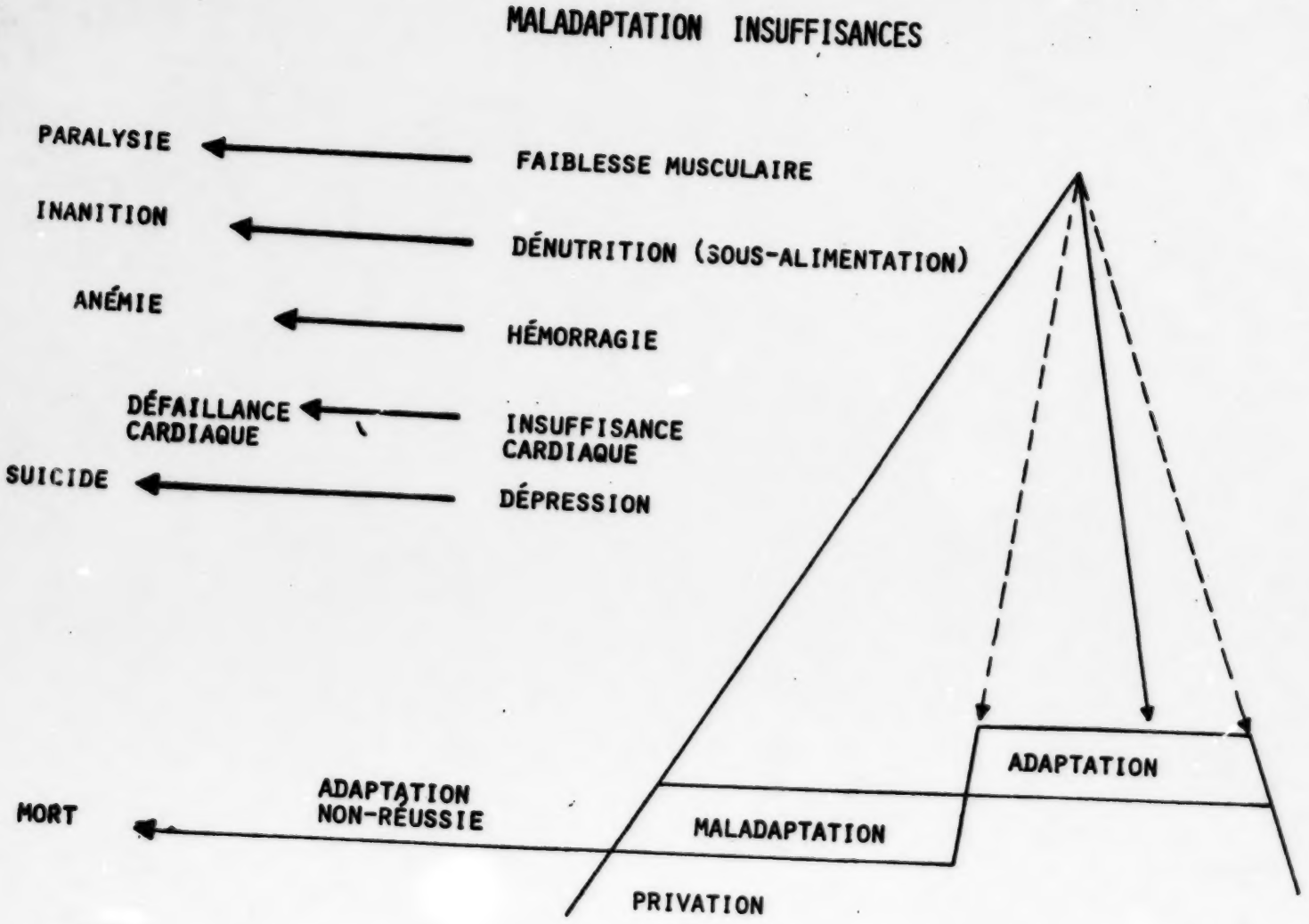
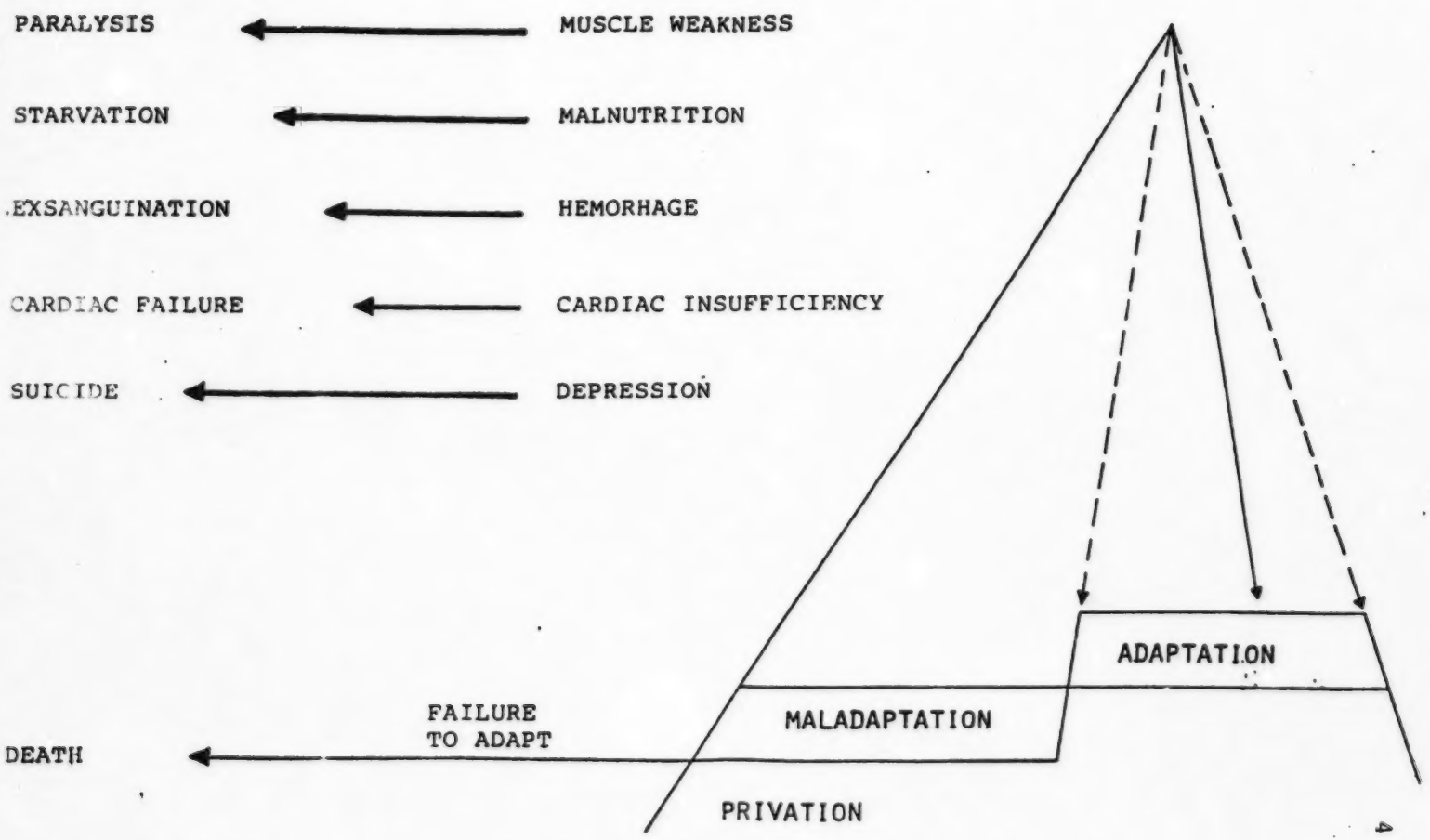

MALADAPTATION INSUFFISANCES
PARALYSIE
FAIBLESSE MUSCULAIRE
INANITION
DÉNUTRITION (SOUS-ALIMENTATION)
ANÉMIE
HÉMORRAGIE
DÉFAILLANCE CARDIAQUE
INSUFFISANCE CARDIAQUE
SUICIDE
DÉPRESSION
ADAPTATION
ADAPTATION NON-RÉUSSIE
MORT
MALADAPTATION
PRIVATION

Schéma 5

MALADAPTATION: INSUFFICIENCIES



MALADAPTATION : EXCÈS

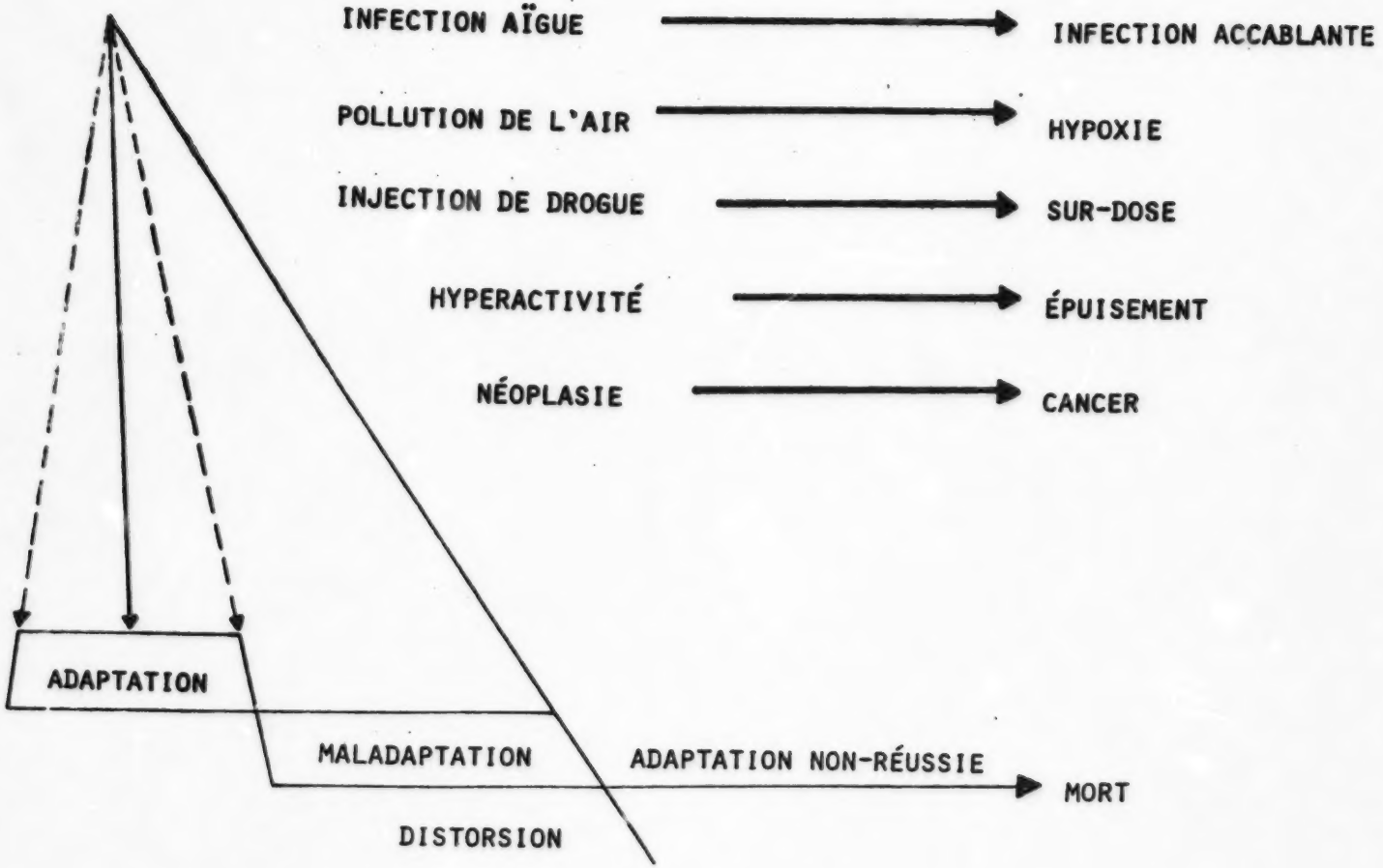
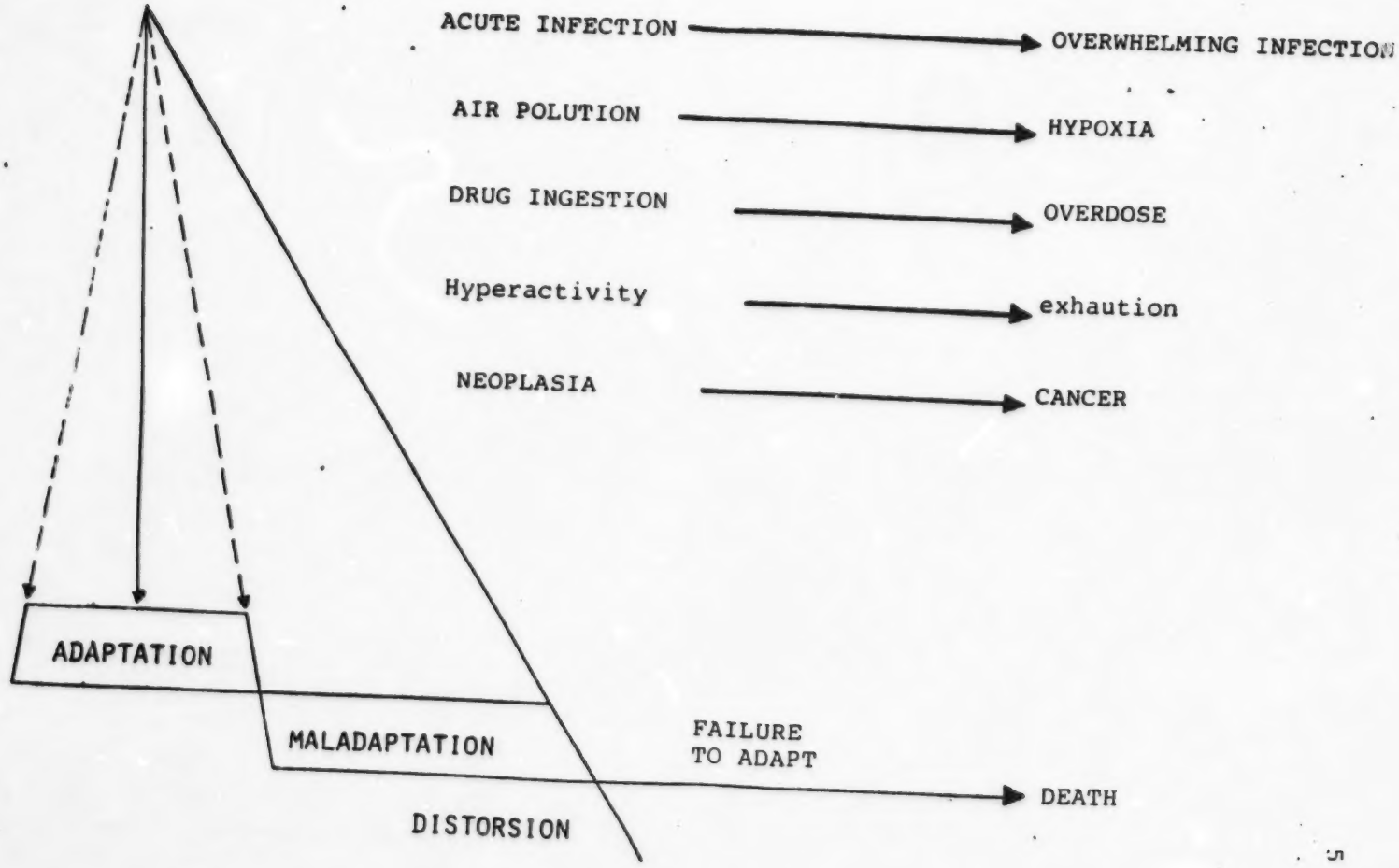


Schéma 6

MALADAPTATION : EXCESSES



ÉVÉNEMENT VÉCU	VALEUR	VOUS
Décès du conjoint	100	
Divorce	73	
Séparation	65	
Séjour en prison	63	
Décès d'un parent proche	63	
Maladie ou blessure personnelles	53	
Mariage	50	
Perte d'emploi	47	
Réconciliation avec le conjoint	45	
Retraite	45	
Modification de l'état de santé d'un membre de la famille	44	
Grossesse	40	
Difficultés sexuelles	39	
Adjonction d'un nouveau membre à la famille	39	
Réaménagements dans la vie professionnelle	39	
Modification de la situation financière	38	
Mort d'un ami proche	37	
Changement de carrière	36	
Modification du nombre de discussions avec le conjoint	35	
Hypothèque supérieure à un an de salaire	31	
Saisie d'hypothèque ou de prêt	30	
Modifications de ses responsabilités professionnelles	29	
Départ d'un de ses enfants	29	
Problèmes avec les beaux-parents	29	
Succès personnels éclatants	28	
Début ou fin d'emploi du conjoint	26	
Première ou dernière année d'études	26	
Modifications de ses conditions de vie	25	
Révision de ses habitudes personnelles	24	
Démêlés avec son patron	23	
Modifications des heures et des conditions de travail	20	
Changement de domicile	20	
Changement d'école	20	
Changement de passe-temps	19	
Modification des activités religieuses	19	
Modification des activités sociales	18	
Hypothèque, ou prêt, inférieure à un an de salaire	17	
Modification de ses habitudes de sommeil	16	
Modification du nombre de réunions familiales	15	
Modification de ses habitudes alimentaires	15	
Vacances	13	
Noël	12	
Infractions mineures à la loi	11	
Divers:		

Inscrivez votre total ici _____

Schéma 7

Mauvais choix	Valeur
Mauvais capital génétique	10
Insomnie	20
Mauvaise alimentation	30
Obésité	40
Objectifs irréalistes	50
Poisons (dont le café)	60
Usage du tabac	70
Emploi insatisfaisant	80
Insécurité financière	90
Foyer instable	100
	-550

Choix judicieux	Valeur
Bon capital génétique	10
Sens de l'humour	20
Alimentation saine	30
Alternance des stress	40
Objectifs réalistes	50
Compréhension du stress	60
Relaxation et bon sommeil	70
Emploi satisfaisant	80
Sécurité financière	90
Foyer stable	100
	+550

Schéma 8

THE HANSON SCALE OF STRESS RESISTANCE:

it's your choice

Weak choices		Your Score	Strong choices		Your Score
1. Bad genetics	−10		1. Good genetics	10	
2. Insomnia	−20		2. Sense of humor	20	
3. Bad diet	−30		3. Right diet	30	
4. Obesity	−40		4. Alternate exercise	40	
5. Unrealistic goals	−50		5. Realistic goals	50	
6. Poisons (including caffeine)	−60		6. Understanding of stress	60	
7. Smoking	−70		7. Relaxation skills and efficient sleep	70	
8. Wrong job	−80		8. Thorough job preparation	80	
9. Financial distress	−90		9. Financial security	90	
10. Unstable home	−100		10. Stable home	100	
	−550		Resistance Score	+550	
		Your Total			Your Total

exacte de l'altération varie selon les individus. C'est un fait que la sant de 20 p. 100 des membres du groupe à stress élevé, (300 et plus), n'est en rien modifiée au cours de l'année qui suit l'administraiton de l'échelle. Que se passe-t-il dans ces cas? Un phénomène: ces individus ont su développer en eux une sorte de résistance au stress. Voilà la raison pour laquelle Hanson s'est appliqué à développer une autre échelle, justement appelée "L'Echelle de résistance au stress." Celle-ci apparaît au schéma 8. Cette échelle comporte deux parties; une concerne les mauvais choix et, la seconde, les choix judicieux. Chaque choix, mauvais aussi bien que judicieux, ont une valeur. Il s'agit de nous attribuer celle qui correspond le mieux à notre situation. Les résultats de cette échelle pairés avec celle de Holmes-Rahe peuvent être une excellente indication des décisions qu'il nous faudra prendre pour contrer les effets nocifs du stress.

Je termine simplement cet exposé en affirmant que notre situation par rapport au stress dépend en grande partie de nous et de nous seulement. Nous avons à notre disposition les moyens pouvant nous permettre de nous prendre en charge. Faisons entrer dans notre vie, dès aujourd'hui, quelques minutes de relaxation chaque jour, et commençons à surveiller notre diète un peu plus. Ma dernière recommandation serait qu'il est très important de visiter son médecin une fois par année, surtout après la quarantaine.

Production Issues

IMPLICATIONS OF SEED PHYSIOLOGICAL AGE AND TUBER PHYSICAL FACTORS FOR PRODUCTION OF HIGH QUALITY RUSSET BURBANK POTATOES

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Pullman, WA

Introduction

Potato tuber physiological age affects seed performance by influencing number of stems and tubers per plant. In general, physiologically older seed tubers result in more stems per plant and more tubers per plant. The resultant tubers are smaller in average size, and the size distribution is changed.

Potato tuber physical characteristics, primarily tuber size and shape, influence seed performance through ability to cut them into uniform desirable size seed pieces and achieve desirable and uniform seed piece placement in the planting operation. Seed tuber size also influences seed performance through the number of the seed pieces which do not have eyes.

PHYSIOLOGICAL AGE OF POTATO SEED TUBERS

Potato seed tubers have a natural dormancy period of different duration depending on cultivar. During this period, sprouting generally does not occur. This dormancy period is somewhat affected by seed storage temperature and prior cropping history. However, after dormancy "breaks", the seed tubers can initiate and produce sprouts. If seed tubers remain in storage for very long periods, sprout length becomes excessive and seed tubers lose weight. Very old seed tubers can form numerous small potatoes surrounding the sprouts and buds. When this occurs, emergence is affected. Between breaking of dormancy and the appearance of the small tubers, the seed tubers have aged.

For commercial potato production, planting seed that is too young or too old will result in a reduction of yield potential. The management objective is to have seed tubers that when cut and planted produce plants with an average of three stems, have an adequate but not excessive number of tubers and maintain growth throughout the season. Plants of this kind will have optimum yield potential.

Physiologically young seed will produce plants with single or few stems. These stems develop into plants with excessive vine growth and initiate and set tubers late in the season. Because the tubers are formed late, optimum yield and quality are not achieved. Physiologically old seed produces multistem plants with a high number of tubers. These tubers are set early in the season, and the plants have less than adequate above ground plant growth. Plants from "older" seed may be more susceptible to late season disease because of the rapid early growth, nutritional stress, or biochemical changes as a result of high carbohydrate demand by the developing tubers. The tubers produced by plants from "old" seed may at times be small with a low percentage of US # 1 and poor overall quality.

As seed tubers age, the time form planting to emergence is shortened. It may take three to five weeks before plants emerge from young seed; whereas, plants from older seed usually emerge within two to three weeks. In order to optimize potato production, a grower needs to know something about the physiological age of the seed potatoes he will plant. It is neither practical nor possible to measure the physiological age of every seed lot. However, information as to growing season, harvest, storage and handling can give some clues about the physiological age of the seed.

Previous Growing Season

Many reports in the literature support the concept that crop development the prior year can have an effect on the age of the seed tubers produced. These reports indicate that any form of stress during the growing season, whether it is water stress,

temperature stress such as frost or high temperature, will cause seed tubers to be physiologically older than non-stressed tubers.

Bruising

Each time potatoes are handled, there is a potential for bruising. Bruised potatoes have increased respiration rates which result in aging. This aging results in an increase in stem number the same as aging from other causes (Table 1).

Table 1. Effect of bruising on number of stems arising out of seed pieces.

	Treatment	Avg. Stem No.
1.	Check	2.9
2.	Bruised by dropping	4.7
3.	Scarred with knife	4.5
4.	Cut in half	3.1

Source: (4)

Whether the bruise is a result of the harvest operation or subsequent handling, it will increase the physiological age of the tubers. The potential for damage to seed tubers can be reduced by minimizing bruising from harvest through the planting operation.

Cutting

Potato seed cutting is another operation which results in aging of the tubers and an increase in stem numbers (Table 1). Seed that is cut and planted quickly does not have the potential to increase the aging process as much as seed that is cut and put back in storage due to a reduced amount of handling. Although handling of seed tubers (bruising, cutting, piling) and the conditions of the previous growing season may increase physiological age, these factors may not influence seed age as much as storage temperatures.

Storage Temperature

Considerable research has been done on the influence of storage temperature on seed physiological age. Storing seed tubers at warmer temperatures throughout the storage period increases seed age and results in an increase in stem number per seed piece; and unless cultural practices are appropriate, the increase in age can result in a reduction in tuber yield (Table 2).

Table 2. Influence of storage temperatures on average number of stems/seed piece and yield.

Storage Temp ^{0}F	Stem No. Year 1	Stem No. Year 2	Total Yield Cwt/A Year 1	Total Yield Cwt/A Year 2
34	1.6	3.3	516	737
38	1.9	---	427	---
42	2.1	3.8	439	731
48	2.1	6.2	403	668

Source: Adapted from (4)

Potato seed tubers stored at temperatures that are too low or too high age more rapidly than when stored at optimum temperature. Table 3 shows that storage at temperatures that physiologically age seed results in an increase in stem and tuber numbers. Treatment 1 is normally stored seed, while treatments 2 and 3 are stored such that they are physiologically older. Increasing the "age" of the seed increases the number of stems per seed piece while the number of tubers per stem remains fairly constant. The increase in stem numbers per seed piece results in an increase in stem and tuber numbers per unit area (sq. ft., acre, etc.); and, therefore, the potential amount of growth at any given time in that area will be increased.

Table 3. Effect of storage temperature on physiological age of potato seed tubers.

Treatment	Tubers/Seed Piece	Stems/Seed Piece	Tubers/Stem
1	6.5	1.7	3.8
2	11.8	3.2	3.7
3	15.5	4.0	3.9

Source: (9)

The growth occurring on a given area determines the nutrient requirements of the crop. An increase in the amount of growth requires a concurrent increase in nutrients. As the crop goes from vegetative to tuber growth, the nitrogen requirement increases. An increase in growth requires a greater rate of nitrogen uptake. If the nitrogen cannot be supplied to the plant in quantities to meet the increased need, the crop may become nitrogen deficient resulting in reduced yields.

However, if it is known that the seed to be planted is "old", cultural practices may be modified to optimize yield. Modifying seed size and spacing to optimize stem and tuber number and managing nutrient applications may make it possible to produce a normal or higher yielding crop from "older" seed. On the contrary, if very "young" seed is planted and maximum yield considerations require "older" seed, it is possible to increase the physiological age in storage by raising the temperature during part of the

storage period. This type of management has the potential of insuring maximum yield potential from different seed lots.

Tuber yield and size distribution from seed of various physiologically aged tubers are shown in Table 4. The treatments are the same as those described for in Table 3. The plants were managed to maximize yield but not for production of large (greater than 10 ounce) tubers. There was a 15 to 30 percent increase in the undersize class (tubers less than 4 oz. in size), a 90 percent decrease in tubers larger than 10 oz. in size and at least 100 cwt/A increase in total yield from the older seed. The yield increase is due to early plant emergence, more tubers and a longer tuber growing season. Nutrients were supplied to meet the increased demand early in the season and the increased number of tubers and time of tuber development.

Table 4. Influence of seed age on potato tuber yield and size distribution.

Treatment	%US#1		%US#2		%Under	Yield	Specific
	>10oz	4-10oz	>10oz	4-10oz	Size	cwt/A	Gravity
1 (youngest)	38	28	12	12	9	450	1.082
2	13	42	3	17	25	550	1.084
3 (oldest)	4	38	2	16	39	560	1.083

Source: (9)

The usual results of planting physiologically old seed are an increase in plant numbers (stems per hill), reduced tuber size and a loss of marketable yield. However, if the seed lot is managed for optimum production from "older" seed, it is possible to have that seed lot perform within acceptable limits for either seed or commercial production.

Increasing the size of seed piece from a physiologically old seed lot may overcome part of the increase in the undersize tubers. While a seed grower might find the size distribution from the "aged" seed shown in Table 4 attractive for seed production, the same seed lot could be managed to provide an outcome favorable to the commercial producer (Table 5).

Table 5. Effect of differing seed size and physiological age on percent of tuber yield in different tuber size classes.

Treatment	%US#1 >10oz	%US#1 4-10oz	%US#2 >10oz	%US#2 4-10oz	Undersize	Yield cwt/A
2 oz	39	36	7	11	7	462
2 oz Aged	21	49	4	12	14	483
3 oz	33	38	7	13	9	479
3 oz Aged	20	45	5	15	15	492

Source: (9)

Changing seed piece spacing may also modify the effect of seed age. For example, if a spacing of 9 inches is desired for seed pieces which have an average of 3 stems, spacing seed pieces that produce 4 stems at 12 inches would result in the same number of stems and tubers per acre. However, if the potato seed produces more than 4 stems per seed piece, additional spacing to compensate for the added stems may not be desirable. This is because preliminary observations indicate that when there are more than 4 stems per seed piece, those beyond 4 do not produce tubers that develop into marketable size. Management of seed lots for end use considerations can be an important tool for maximizing financial returns.

Soil Temperature at Planting

The temperature of the soil at planting time can be a factor in the expression of seed tuber physiological age (Table 6). Lower soil temperatures depress respiration rate of planted seed pieces. This delays sprout development and increases the time between planting and emergence. Old seed which normally emerges more rapidly than young seed may not appear to do so from cool soil. High or increasing soil temperature at planting and during emergence generally promotes rapid emergence; thus young seed may not appear to be slow to emerge.

Table 6. Effect of soil temperatures at planting stems/seed piece.

Seed Source	Greenhouse April 65°F	Field May 50°F
A	5.1	3.1
B	4.2	3.0

Source: (4)

PHYSICAL CHARACTERISTICS OF POTATO SEED TUBERS

Results from research with the Russet Burbank cultivar at Washington State University (8) and data from several commercial operations (1,2,3) indicate that the size of tubers within a seed lot affect the resulting average seed piece size and seed piece size distribution. Holland (3) using a commercially available rotary disk blade seed cutter found that when tubers smaller than 3 to 4 oz. were cut, there was an unacceptably high percentage of seed pieces less than 1 oz. in size. Cutting seed tubers larger than 10 oz. in size on this cutter resulted in an unacceptably high percentage of seed pieces larger than 3 oz. in size.

A commercial operation using the same brand of cutter reported that when seed tubers smaller than 3 1/4 oz. were cut, smaller than desired seed pieces resulted; or they passed through the cutter uncut. These uncut tubers were larger than desired. When seed tubers between 3 1/4 oz. and 10 oz. in size were cut, the resulting seed pieces were reasonably close to the desired size. Cutting seed tubers over 10 oz. in size resulted in an acceptable high percent of the seed pieces being larger than 3 oz. in size (1). This same operation reported receiving shipments of seed tubers that had an average of over 25% of the tubers smaller than 3 oz. in size and 4% were over 10 oz. in size (2). With seed placement studies following this cutting operation (1), it was found that poor plant stands resulted when large size seed pieces were present in the cut seed. The poor plant stands were due to inaccurate seed placement. Iritani and co-workers (5,6) found that when 9 oz. and larger Russet Burbank seed tubers were cut, seed pieces of less than 2 oz. in size had an unacceptably high percentage of seed pieces without eyes. Holland (3) showed that when seed tubers from 4 oz. and 10 oz. in size were cut with modern mechanized cutters, between 75 and 82% of the cut seed pieces fell within a size range that allowed a planter to perform close to its design limits (Table 7). He concludes that 8 or 9 oz. seed tubers are the largest that can be cut and obtain optimum cutter and planter performance.

Table 7. Characteristics of cut seed from different size whole tubers.

Whole tuber size	%of seed piece acceptable	% undersize (discarded)	% oversize (recent)
4 oz	76.0	18.0	6.0
6 oz	81.5	13.5	6.0
8 oz	82.1	6.0	11.3
10 oz	75.4	8.0	16.6
12 oz	58.9	11.5	29.6

Source: Adapted from (3).

Schotzko and co-workers (7) found that potato growers in Washington State are giving up as much as $120 per acre to the combination of seed pieces that are the wrong size for optimum productivity and are of a size distribution that cannot be placed properly by planters. They did not define how much of the seed cutting problem was a result of seed tuber size alone.

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IMPROVING THE PROPORTION OF MARKETABLE POTATOES OUT OF STORAGE

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The computer adage garbage-in-garbage-out generally applies to stored, damaged potatoes as well. The primary consideration in any marketing scheme is market identification and then grading the product to meet that requirement. The fresh tablestock market most likely demands a lower mechanical damage level than the Canada No.1 standard. Our studies have indicated that 85% of the severely damaged tubers met this grade.

The first step to improve the proportion of marketable potatoes is to reduce the incident of damage during harvesting. A study involving 10 valley farms indicated that 72.4% of the tubers going into storage and 63.3% coming out were marketable. Marketability was estimated using a higher standard than Canada No.1 because all severely damaged tubers were rejected. These results agreed closely with those obtained from 34,000 tons of potatoes that entered a commercial packing house where 66% were considered marketable. However, when blackspot was included in the assessment, the study result that gave 72.4% incoming marketable was reduced to 50.8%.

The second step involves grading into storage after harvesting that is in addition to grading on the harvester. The engineers at the Fredericton Research Station have been studying this as a supplement to unmanned harvesters. However, the work detailed here today was conducted with manned harvester conditions. The potatoes were delivered to the storage by truck and passed over a sizing belt and a manned sorting table combined with a bin piler. Two people on the unit was considered unmanned and up to 5 additional people were added to measure the effect on product upgrading.

Samples from the trucks were taken and analyzed and similar samples were placed in storage in mesh bags after collecting from the end of the bin piler. These were either ungraded (2 people) or graded (4 to 7 people) and were recovered when the storage was emptied. The results indicated that the damage index after storage was not different between the graded and ungraded samples. The Canada No.1 grade percentage was higher for the graded at 76.8% vs 70.0% for the ungraded. This was accomplished mainly by a reduction in smalls and misshappen tubers both easily handled by size graders and human judgement. The reduction in damage index from 348.1 to 254 after storage reflects the inability to see surface irregularities after storage. If the entire tubers were totally peeled rather than being peeled only when damage was present then this reduction would not occur.

Damage prevention during harvest still appears to be the most viable option to improve marketability. Fredericton engineers at Agriculture Canada will continue to investigate grading into storage as an option to manned harvesters to see if performance can be enhanced under a more controlled environment.

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